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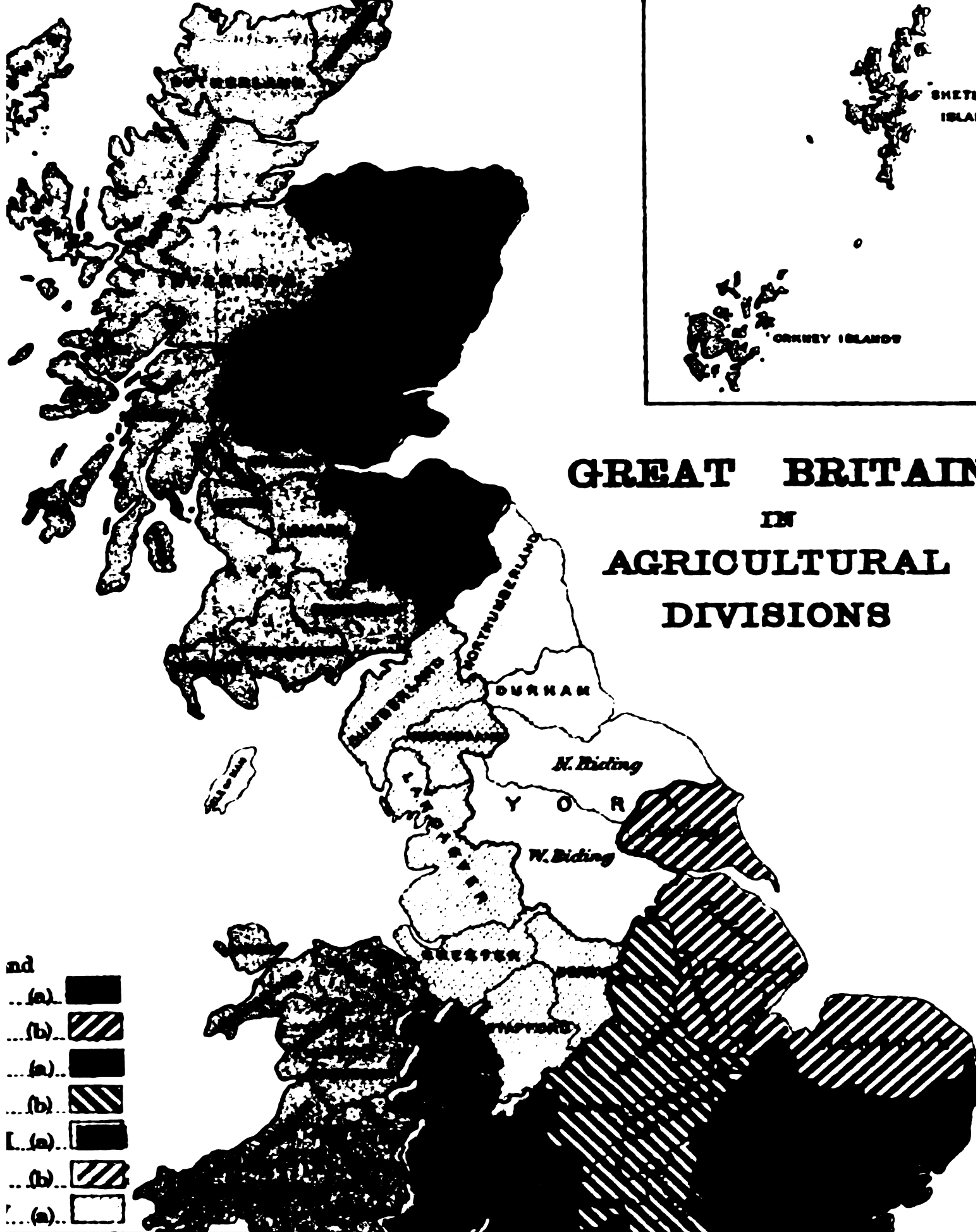
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*Final Report of Her Majesty's
Commissioners Appointed to ...*

Great Britain Royal Commission on
Agriculture, Great Britain

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1897

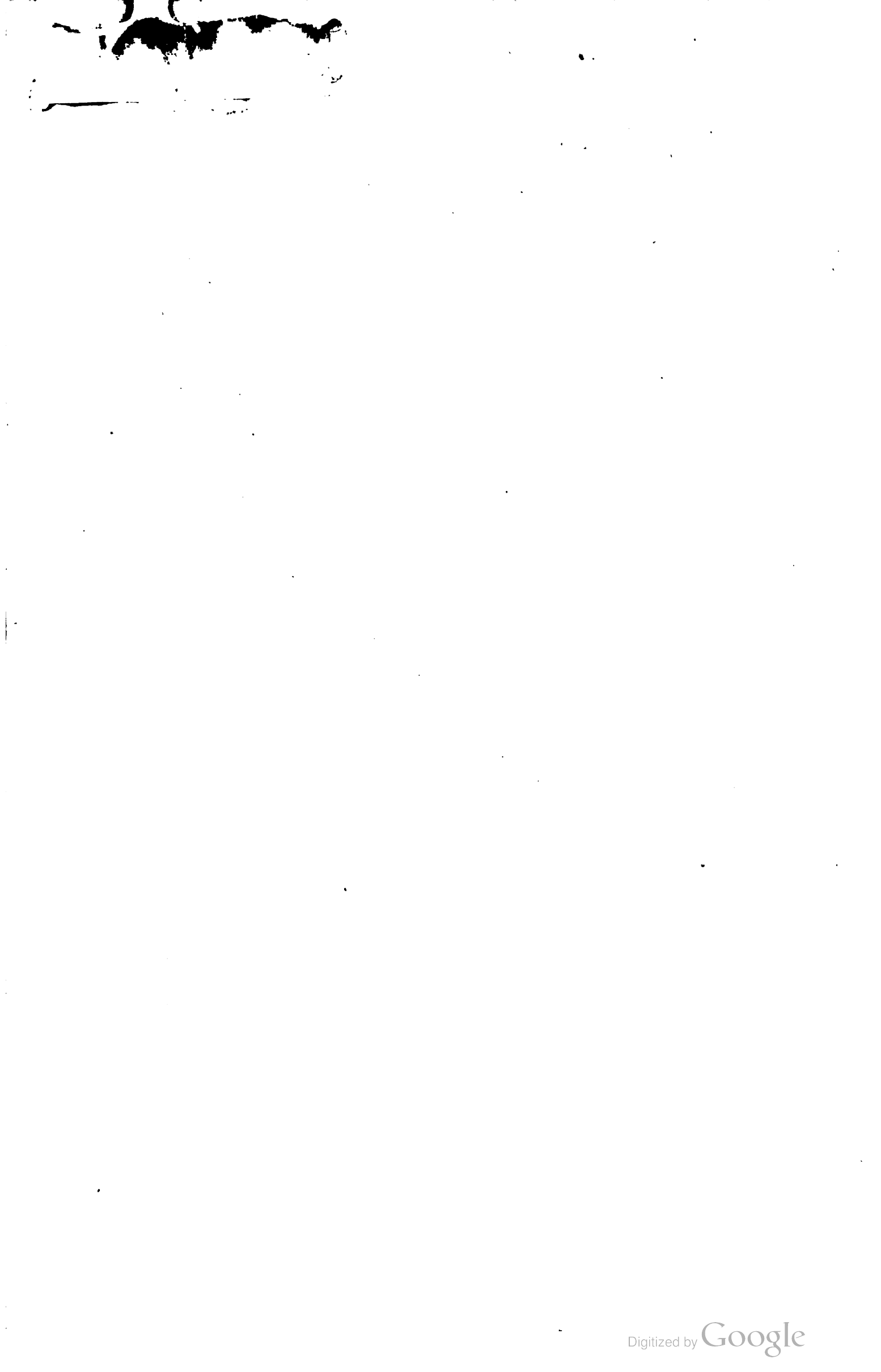


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ROYAL COMMISSION ON AGRICULTURE.

FINAL REPORT

OF

HER MAJESTY'S COMMISSIONERS

APPOINTED TO INQUIRE INTO THE SUBJECT OF

AGRICULTURAL DEPRESSION.

Presented to both Houses of Parliament by Command of Her Majesty.
1897.



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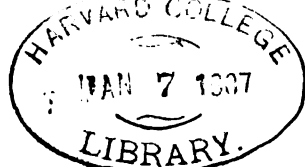


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ROYAL COMMISSIONS.

I.

Whitehall, September 16, 1893.

THE QUEEN has been pleased to issue a Commission, under Her Majesty's Royal Sign Manual, to the following effect:—

VICTORIA R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith,

To Our right trusty and well-beloved Councillor, George John Shaw-Lefevre, First Commissioner of Works and Public Buildings, Chairman; Our right trusty and well-beloved Cousin, Charles George Viscount Cobham; Our right trusty and well-beloved Councillor, George William Henry, Baron Vernon; Our right trusty and well-beloved Councillor, Henry Chaplin; Our trusty and well-beloved Sir Robert Nigel Fitzhardinge Kingscote, Knight Commander of Our Most Honourable Order of the Bath, late Lieutenant-Colonel of Our Regiment of Scots Guards, a Commissioner of Our Woods, Forests, and Land Revenues; Our trusty and well-beloved Robert Giffen, Esquire, Companion of Our Most Honourable Order of the Bath, Doctor of Laws, one of the Assistant Secretaries to the Board of Trade; Our trusty and well-beloved Charles Isaac Elton, Esquire, one of Our Counsel learned in the Law; Our trusty and well-beloved Owen Thomas, Esquire, Captain in the Second Volunteer Battalion of the Royal Welsh Fusiliers; Our trusty and well-beloved Francis Allston Channing, Esquire, Master of Arts; Our trusty and well-beloved John Clay, Esquire; Our trusty and well-beloved Cornelius Neale Dalton, Esquire; Our trusty and well-beloved Robert Lacey Everett, Esquire; Our trusty and well-beloved John Gilmour, Esquire; Our trusty and well-beloved George Lambert, Esquire; Our trusty and well-beloved William Cutlack Little, Esquire; Our trusty and well-beloved Walter Hume Long, Esquire; and Our trusty and well-beloved Charles Whitehead, Esquire, Fellow of the Linnean Society, greeting!

Whereas We have deemed it expedient that a Commission should forthwith issue to inquire into the Agricultural Depression prevailing in that part of Our United Kingdom of Great Britain and Ireland called Great Britain, and whether it can be alleviated by legislation or other measures.

Now know ye, that We, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these presents authorise and appoint, you, the said George John Shaw-Lefevre; Charles George, Viscount Cobham; George William Henry, Baron Vernon; Henry Chaplin; Sir Robert Nigel Fitzhardinge Kingscote; Robert Giffen; Charles Isaac Elton; Owen Thomas; Francis Allston Channing; John Clay; Cornelius Neale Dalton; Robert Lacey Everett; John Gilmour; George Lambert; William Cutlack Little; Walter Hume Long; and Charles Whitehead, to be Our Commissioners for the purposes of the said inquiry.

And for the better effecting the purposes of this Our Commission, We do by these presents give and grant unto you, or any five or more of you, full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission, and also to call for, have access to, and examine, all such books, documents, registers, and records as may afford you the fullest information on the subject, and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

And We do by these presents authorise and empower you, or any five or more of you, to visit and personally inspect such places as you may deem it expedient so to inspect for the more effectual carrying out of the purposes aforesaid, and to employ such persons as you may think fit to assist you in conducting any inquiry which you may hold.

And We do further by these presents will and ordain that this Our Commission shall continue in full force and virtue, and that you, Our said Commissioners, or any five or more of you, may from time to time proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

And We do further ordain that you, or any five or more of you, have liberty to report your proceedings under this Our Commission from time to time, if you shall judge it expedient so to do.

And Our further will and pleasure is that you do, with as little delay as possible, report to Us, under your hands and seals, or under the hands and seals of any five or more of you, your opinion upon the questions herein submitted for your consideration.

And for the purpose of aiding you in such matters, We hereby appoint Our trusty and well-beloved Herbert Lyon, Esquire, to be Secretary to this Our Commission.

Given at Our Court at Saint James's, the fourteenth day of September one thousand eight hundred and ninety-three, in the fifty-seventh year of Our Reign.

By Her Majesty's Command,
(Signed) H. H. ASQUITH.

II.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith, to Our right trusty and well-beloved Stuart, Baron Rendel, greeting!

Whereas We did by Warrant under Our Royal Sign Manual, bearing date the fourteenth day of September one thousand eight hundred and ninety-three, appoint Our right trusty and well-beloved Councillor, George John Shaw-Lefevre, together with the several noblemen and gentlemen therein mentioned, or any five or more of them, to be Our Commissioners to inquire into the agricultural depression prevailing in that part of Our United Kingdom of Great Britain and Ireland called Great Britain, and whether it can be alleviated by legislation or other measures :

And whereas one of Our Commissioners so appointed, namely, Our right trusty and well-beloved Councillor, George William Henry, Baron Vernon, has humbly tendered unto Us his resignation of his appointment as one of Our said Commissioners :

Now know ye, that We, reposing great confidence in you, do by these presents appoint you the said Stuart, Baron Rendel, to be one of Our Commissioners for the purpose aforesaid in the room of the said George William Henry, Baron Vernon, resigned, in addition to and together with the other Commissioners whom We have already appointed.

Given at Our Court at St. James's, the third day of May one thousand eight hundred and ninety-four, in the fifty-seventh year of Our Reign.

By Her Majesty's Command,

(Signed) H. H. ASQUITH.

FINAL REPORT.

TO THE QUEEN'S MOST EXCELLENT MAJESTY.

MAY IT PLEASE YOUR MAJESTY,

WE, the Commissioners appointed to inquire into the agricultural depression prevailing in that part of the United Kingdom of Great Britain and Ireland called Great Britain, and whether it can be alleviated by legislation or other measures, desire humbly to submit to Your Majesty this our Final Report upon the matter we were directed to investigate.

Introduction.

1. Before, however, we proceed to state the conclusions at which we have arrived, it will be convenient to give shortly a summary of our proceedings and of the method which we have adopted in pursuing our inquiry.

2. Immediately upon the receipt of Your Majesty's Commission in September 1893, we held our first meeting, since which date we have sat on 177 days, 117 of which have been devoted to hearing the oral evidence of 191 witnesses, and the remainder to the consideration of our Reports.

3. A scheme of procedure, printed in the Appendix to this Report, was unanimously adopted at the commencement of our proceedings, and although it has not always been strictly followed, a large volume of evidence has been taken under nearly all the headings it contained. Appendix I.

4. On March 2nd, 1894, the Right Hon. Lord Vernon, finding that the state of his health would not admit of his remaining upon the Commission, resigned his seat. As his substitute Your Majesty appointed the Right Hon. Lord Rendel on May 4th, 1894.

On April 20th, 1896, our proceedings were interrupted in consequence of the resignation of our Chairman, Mr. Shaw Lefevre. Having regard to the stage which had been reached in our inquiry, Your Majesty's Government did not think it advisable to appoint a Chairman from outside the Commission, but, in a letter addressed to us on May 12th, 1896, by Your Majesty's Secretary of State, it was suggested that we should select one of our number to preside over our future deliberations. Accordingly, acting upon this suggestion, we proceeded to the election of a new Chairman at our meeting on the 16th May 1896, and Viscount Cobham was unanimously selected to fill that office.

6. We thought it desirable at the commencement of our inquiry to appoint Assistant-Commissioners to visit specially selected areas in England and Scotland representing the various types of agriculture, for the purpose of reporting to us generally upon the condition and prospects of the industry in those districts, and of bringing up to date as far as possible the reports of the Duke of Richmond's Commission, 1879-82.

7. The gentlemen whom we selected to act as Assistant-Commissioners, and the districts they were severally instructed to visit, were as follows:—

Mr. A. WILSON FOX :

The Garstang district of Lancashire ;
The Glendale district of Northumberland ;
The county of Lincolnshire ;
The county of Suffolk ;
The county of Cambridge ; and
The county of Cumberland.

Mr. R. HUNTER PRINGLE :

The Isle of Axholme, Lincolnshire ;
The Ongar, Chelmsford, Maldon, and Braintree districts of Essex ;
The district bounded by Bedford, Huntingdon, Oundle, and Northampton ; and
The district bounded by York, Selby, Driffield, Malton, Darlington, and Leybourne.

Dr. W. FREAM :

The Andover district of Hampshire ; and
The Maidstone district of Kent.

Mr. R. HENRY REW :

The Heathfield district of Sussex ;
The Salisbury Plain district of Wiltshire ;
The county of Dorset ;
The district of North Devon ; and
The county of Norfolk.

Mr. AUBREY SPENCER :

The district from Oxford to the Cotswold Hills (inclusive) and the Berkshire Downs to Bath ; and

The district from the Vale of Aylesbury, by Tring and Hitching, to Bishop's Stortford.

Mr. J. TURNER :

The Frome district of Somerset ; and

The Stratford-on-Avon district of Warwickshire.

Mr. JAMES HOPE :

The counties of Perth, Fife, Forfar, and Aberdeen ; and

The counties of Roxburgh, Berwick, Selkirk, the Lothians, Banff, Nairn, and Elgin.

Mr. JOHN SPEIR :

The dairy districts in the counties of Ayr, Wigtown, Dumfries, and Kirkcudbright.

The reports we have received from the Assistant-Commissioners on these districts have been presented to your Majesty, and we desire to place on record our appreciation of the diligence and ability with which these gentlemen conducted their arduous inquiries, and the painstaking manner in which they prepared their reports.

8. In order to assist us in deciding to which districts our inquiry should specially extend, and for the purpose of ascertaining in which districts the depression was prevailing with the greatest severity, we caused a letter to be addressed to each of the Inspectors of the Land Department under the Board of Agriculture requesting them to briefly state their opinions as to the extent, duration, and effect of the depression in their several districts. An abstract of the replies received was printed in the Appendix to Volume I. of the Minutes of Evidence. We subsequently desired those of the Inspectors who had previously reported to us that land had gone out of cultivation in their districts, to ascertain and report to us their approximate estimate of the extent to which this had occurred. These reports are printed in Appendix C. to Volume IV. of the Minutes of Evidence.

9. Many of the largest landed proprietors were invited by us to furnish particulars of the net income derived over a series of years from their estates, together with an account of their estate expenditure, and the outgoings or deductions from their rental during the same periods. The statements which have been kindly presented to us, in response to this invitation, have been arranged in tabular form, comprising the accounts of 50 large estates. A table has been appended showing the proportion per cent. of expenditure and outgoings in relation to the rent actually received on each estate at intervals of 10 years. These statements have been published in a separate volume, together with the farming accounts furnished to the Assistant-Commissioners during the prosecution of their inquiries, which we have had collected from their respective reports and reprinted.

10. It appeared to us essential, in order that we might have accurate information as to the agricultural position abroad, to extend our inquiries to foreign countries. Our attention was first directed to the Paper (Commercial, No. 24) presented to Parliament in 1889 containing information as to the organisation of agricultural departments in foreign countries, and as to the nature of the assistance rendered by the State in the interests of agriculture. At our request a circular despatch was addressed in October, 1893, to Her Majesty's Representatives abroad for the purpose of ascertaining whether any substantial changes had been made in the interim. The replies received to these inquiries were published in a Parliamentary paper (Commercial, No. 3) 1894.

In December 1894 we again requested Your Majesty's Secretaries of State for foreign affairs and the colonies to obtain information for us through Your Majesty's diplomatic and consular officers from those countries which compete with the United Kingdom, in order that we might be enabled to make some estimate as to the future competition with which British agriculturists must reckon, especially in wheat, meat, and dairy produce.

Valuable information was supplied to us in answer to these inquiries from France, Germany, Russia, Denmark, the Netherlands, the United States, the Argentine Republic, and Australasia ; and although the reports have been published separately by the Foreign Office and Colonial Office, we have thought it desirable to publish them in the Appendix to this Report.

11. We also requested the Board of Trade to obtain for us such information as was available, respecting the bounties or bonuses granted by Foreign and Colonial Governments as a stimulus to the export of agricultural products. The reports received on this subject have been published as parliamentary papers.

C.-8125
of 1896.

Appendix II.

12. We also published in December 1896 "Statements showing the decrease or increase in the rateable value of 'lands' in 1894, as compared with 1870, in the Poor Law Unions of England and Wales, and the decrease or increase in the gross annual value of 'lands' under Schedule A. in each county of England and Wales in 1894 as compared with 1879," with two diagram maps illustrative thereof. Appended to this document was a memorandum, signed by a majority of our body, setting out the reasons why neither map could be taken as accurately representing the fall in the value of agricultural land, and also the reasons which made the publication of the maps desirable. C.-8300 of 1896.

13. Before we proceeded to take oral evidence, a sub-committee of the Commission was appointed on November 10th, 1893, to select witnesses and to consider the numerous applications received from representatives of various agricultural societies and all classes of persons in any way connected with the agricultural industry who desired to give evidence before us.

14. In June 1895 we held seven meetings in Edinburgh for the convenience of the Scotch witnesses.

15. Another Commission was already engaged on an inquiry into the Welsh land question, but, as the terms of our appointment included Wales, we felt it our duty to receive evidence as to the agricultural depression there, without, however, entering at large upon questions of land tenure in the Principality.

16. We have examined in all 19 landowners and 24 agents; of these, 14 were landowners, or their representatives, in England, 3 in Scotland, and 2 in Wales. We have also examined 80 tenant-farmers—44 representing England, 23 Scotland, and 13 Wales. We also took evidence from seven witnesses who both own and occupy their land. We did not consider it necessary to examine representatives of the labourers, seeing that an important Commission has very recently reported after an exhaustive inquiry into the labour question, but incidentally we have received a considerable amount of evidence as to the economic position of the labourer.

17. We received a great many applications from Chambers of Agriculture and other agricultural societies asking to be heard through their representatives, and we received much assistance from the Council of the Central Chamber of Agriculture, who invited their associated chambers and clubs to assist as far as possible the inquiries of our Assistant-Commissioners in their districts, and also to send in the names of proposed representative witnesses from which the Council kindly submitted a selection to us. We subsequently examined 34 representatives of these organisations.

18. We have called before us 12 surveyors and valuers in order that we might have the benefit of their experience with regard to valuations under the compensation clauses of the Agricultural Holdings Acts. We have also thought it desirable to hear evidence from advocates of a fundamental change in the general relationship between landlord and tenant and in the land tenure laws of this country.

19. Having regard to the fact that a considerable number of agriculturists hold that the fall in prices has been mainly due to a change in the value of money, we felt it our duty to hear evidence on this question.

20. Evidence has been tendered to us upon other important branches of our inquiry such as agricultural education, dairying, poultry farming, and fruit cultivation; and several matters which are the subject of complaint by agriculturists have been brought under our notice, including the sale of adulterated products, the sale of imported goods as home produce, railway rates, and excessive game preservation; we have also received evidence upon the working of the Allotments Act, the Small Holdings Act, the Ground Game Act, and the question of commercial gambling in food products.

21. We have taken advantage of the presence in this country of gentlemen conversant with the agricultural position in the United States, Argentina, and the Colonies, from whom we have received much interesting information.

22. Upon the questions of burdens upon land—except that of tithe rentcharge—and State loans for improvements, we have fully stated our views in the Second Report presented to Your Majesty in February 1896. C.-7981 of 1896.

23. The evidence we have heard has been published in four volumes, each being carefully noted; and we have also caused to be prepared an alphabetical subject index of the evidence, which we have issued in a further volume. C.-7400 of 1894, 1895, 1896. I.-IV. C.-8146 of 1896.

PART I.

Distribution and Effects of Agricultural Depression.

24. WE now propose to review the evidence put before us relating to the extent and distribution of agricultural depression, and its effects upon the owners and occupiers of land. We shall reserve for a separate chapter our comments upon the evidence before us relating to the agricultural labourer.

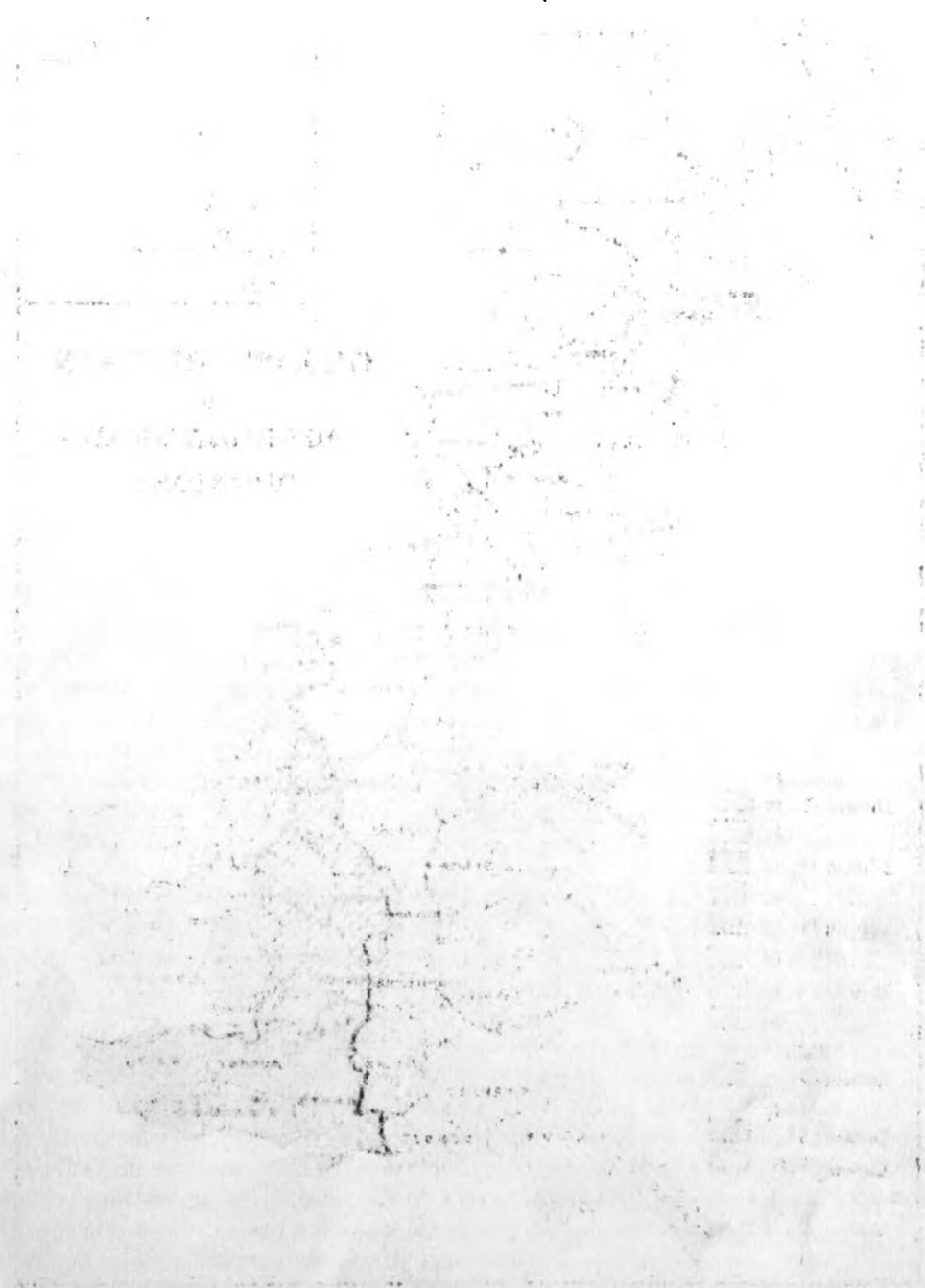
25. In the first place, we desire to refer briefly to the results of the investigations of the Richmond Commission, which was appointed in 1879 to inquire into the "depressed condition of agriculture and the causes to which it is owing." After an inquiry extending over three years, that Commission reported that there prevailed complete uniformity of conviction as to the great extent and intensity of the distress which had fallen on the agricultural community. The Commission stated that the distress was attributed mainly to bad seasons; and, secondly, to foreign competition, aggravated by the increased cost of production and heavy losses of live stock.

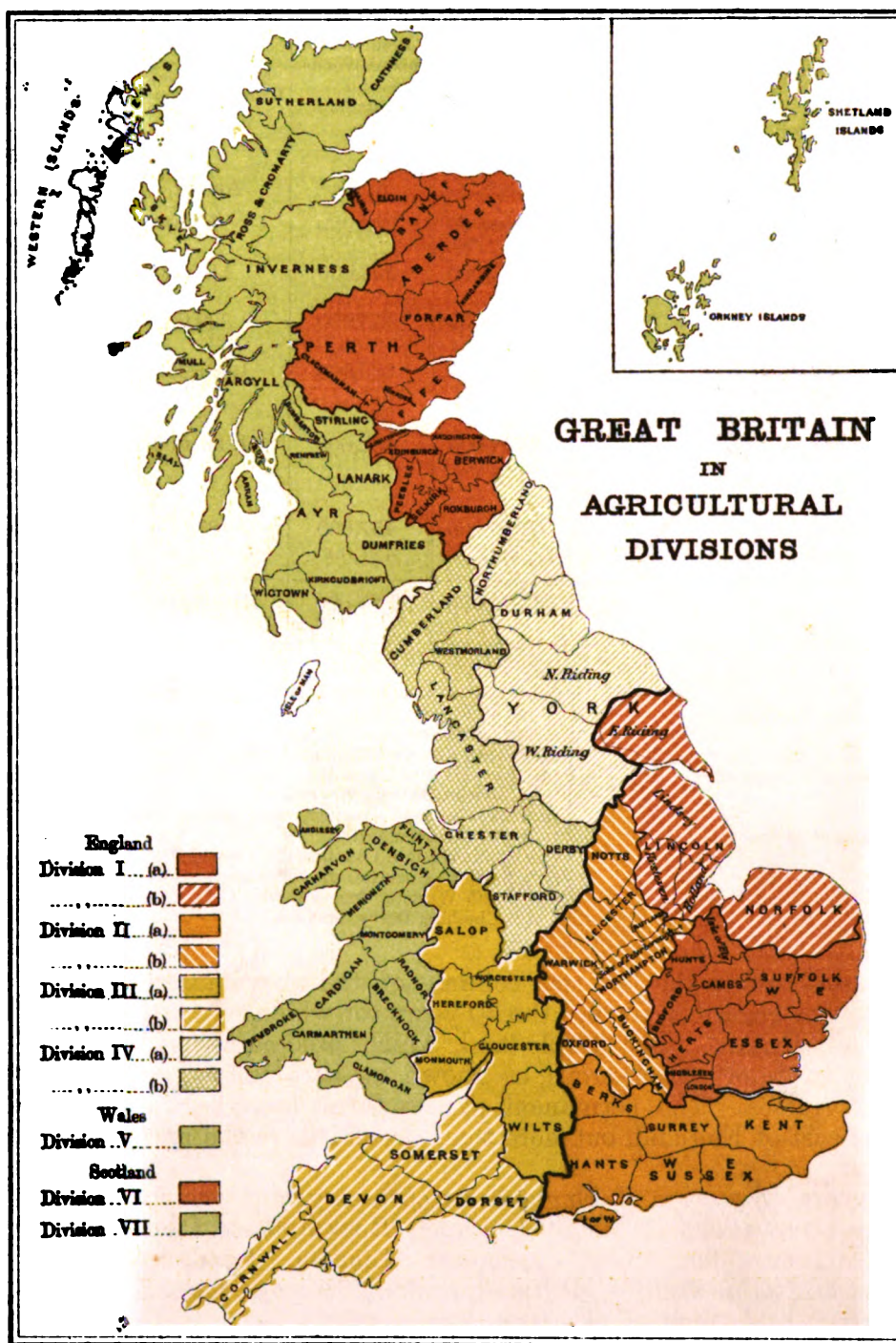
26. In this connexion it may be observed that for several years prior to 1882 there had been a series of cold wet seasons and poor harvests. The season of 1879 was the worst in this respect, continued rain and low temperature not only ruining the grain crops but seriously injuring the pastures in many counties, with the result that large numbers of sheep were carried off by fluke and foot-rot. The year 1882 was followed by a succession of comparatively good seasons until 1893, when a prolonged drought entailed heavy losses on farmers in the arable and pastoral districts of the east and south of England, and also prejudicially affected stock breeders in the western counties and Wales. In 1894 the grain crops in the eastern and southern counties were damaged by heavy rains, and in the following year these districts, and some of the western counties, were again visited by drought, which largely reduced the yield of the corn harvest; but pastures and roots were less affected owing to timely rains late in the season. The effects of the unpropitious seasons of 1893-95 appear to have been less manifest in the north of England and in Scotland.

27. With a few exceptions the seasons since 1882 have been on the whole satisfactory from an agricultural point of view; and the evidence before us has shown that the existing depression, as we have already stated in our Second Report, is to be attributed mainly to the fall in prices of farm produce.

28. In a later chapter we propose to deal in some detail with the remarkable change which has taken place in the course of prices of agricultural products. For the present it may be sufficient to state that while there has been a general downward tendency in these prices, the fall has been most marked in the case of grain, particularly wheat; and wool also has fallen heavily. Under these circumstances, we are not surprised to find that the facts at our disposal indicate that the depression is much more acute in the arable counties (particularly in those districts where the climate is not favourable for laying down permanent or temporary pastures) than elsewhere. Heavy lands where the cost of labour is considerable, and very light soils on which the margin between the necessary outlay and the gross value of the crop is small, are those which have been everywhere most seriously affected. It is, however, necessary to observe that while it is undoubtedly the case, broadly speaking, that the pastoral areas of Great Britain have suffered less than those devoted to corn-growing, a discrimination of this character would be subject to some qualifications arising from conditions of a physical or economic character, which may influence the circumstances of agriculturists in particular localities. With these reservations, we find that the effects of agricultural depression have made themselves most apparent in the arable counties; and that in counties where the surroundings are such as to favour dairying, market-gardening, poultry-farming, and other special industries, the conditions are somewhat more favourable. While it is true, however, that the effects of the depression are less

Second
Report,
par. 6.





manifest in some districts than in others, we are unable to point to any part of the country in which they can be said to be entirely absent. In view of these variations in the incidence of the depression, we have considered it expedient, in dealing with the evidence, to group the counties in the divisions adopted in the Agricultural Returns of Great Britain. Second Report, par. 5.

29. The counties included in these divisions, and the distribution of the surface in 1895, are shown as follows:—

Divisions.	Total Area of Land and Water.	Returned as under Woods and Plantations.	Approximate Area of Mountain and Heath Land used for Grazing.	Permanent Pasture.	Arable Land.
ENGLAND : (<i>See note.</i>)	Acres.	Acres.	Acres.	Acres.	Acres.
I.—Eastern and North-Eastern counties.	7,410,000	232,000	70,000	1,962,000	4,312,000
II.—South-Eastern and East Mid-land counties.	7,215,000	593,000	118,000	3,053,000	2,612,000
III.—West Midland and South-Western counties.	8,111,000	455,000	329,000	3,831,000	2,561,000
IV.—Northern and North-Western counties.	9,808,000	386,000	1,587,000	4,399,000	2,115,000
V.—WALES : - - - -	4,774,000	182,000	1,099,000	1,979,000	860,000
SCOTLAND :					
VI.—Eastern counties - -	6,545,000	457,000	2,127,000	521,000	2,174,000
VII.—Western counties - -	12,909,000	421,000	7,276,000	866,000	1,333,000
GREAT BRITAIN - - - -	56,772,000	2,726,000	12,606,000	16,611,000	15,967,000

Note.—Division I. comprises - - - { (a.) Eastern Counties, viz : Bedford, Hunts, Cambridge, Suffolk, Essex, Herts, Middlesex, London.
 Division II. comprises - - - { (b.) North-Eastern Counties, viz. : Norfolk, Lincoln, York, E. Riding.
 (a.) South-Eastern Counties, viz. : Kent, Surrey, Sussex, Berks, Hants.
 (b.) East-Midland Counties, viz. : Notts, Leicester, Rutland, Northampton, Bucks, Oxford, Warwick.
 Division III. comprises - - - { (a.) West-Midland Counties, viz. : Salop, Worcester, Gloucester, Wilts, Monmouth, Hereford.
 (b.) South Western Counties, viz. : Somerset, Dorset, Devon, Cornwall.
 Division IV. comprises - - - { (a.) Northern Counties, viz. : Northumberland, Durham, York, N.R., York, W.R.
 (b.) North-Western Counties, viz. : Cumberland, Westmorland, Lancashire, Cheshire, Derby, Stafford.

The areas shown in the last two columns of the above table comprise the surface which has been regarded, during the 30 years for which returns exist, as the cultivated land of Great Britain. The arable land, which predominates in the east, includes all land under grain or green crops, or shown as bare fallow, or as under clover and temporary grasses. The permanent pasture forms less than a third of the cultivated area in the east of England, but more than two-thirds in the north-west and in Wales. Agricultural Returns, 1895, par. 41.

30. The arable section of England, or eastern group, includes Division I. and II., comprising the counties of Bedford, Berks, Buckingham, Cambridge, Essex, Hants, Hertford, Huntingdon, Kent, Leicester, Lincoln, London, Middlesex, Norfolk, Northampton, Notts, Oxford, Rutland, Suffolk, Surrey, Sussex, Warwick, and York (East Riding). *See Map.*

31. The grass section, or western group, includes Divisions III. and IV. comprising the counties of Chester, Cornwall, Cumberland, Derby, Devon, Dorset, Durham, Gloucester, Hereford, Lancashire, Monmouth, Northumberland, Salop, Somerset, Stafford, Westmorland, Wilts, Worcester, York (North Riding), and York (West Riding). *See Map.*

32. It is possible that in a few of the counties embraced in each of these sections the proportion of acreage devoted to arable land and to permanent pasture respectively would not, strictly speaking, bring such counties within the category in which they are included in the Agricultural Returns, but the margin one way or the other is not such as to make any change in the classification desirable.

33. The acreage under crops and grass, and numbers of live stock, in the arable section, and in the grass section of England, respectively, in the year 1895, were as follows:—

Description.	Acreage.		Per-centage in each Section.		
	Arable Section.	Grass Section.	Arable Section.	Grass Section.	
	<i>Acres.</i>	<i>Acres.</i>	%	%	
Total Area of Land and Water - -	14,624,771	17,919,119	44·9	55·1	
Total Acreage under all kinds of Crops, Bare Fallow, and Grass - - - }	11,939,004	12,905,684	48·1	51·9	
Permanent Pasture :—Total - - -	5,014,664	8,230,183	37·9	62·1	
Arable Land :—Total - - -	6,924,340	4,675,501	59·7	40·3	
Corn Crops {	Wheat - - -	969,841	369,965	72·4	27·6
	Barley or Bere - - -	1,269,371	568,479	69·1	30·9
	Oats - - -	1,035,075	1,010,402	50·6	49·4
	Rye - - -	36,370	23,641	60·6	39·4
	Beans - - -	186,529	42,694	81·4	18·6
	Peas - - -	170,837	35,793	82·7	17·3
	Total - - -	3,668,023	2,050,974	64·1	35·9
Green Crops {	Potatoes - - -	190,362	182,869	51·0	49·0
	Turnips and Swedes - - -	756,780	605,061	55·6	44·4
	Mangold - - -	232,416	93,515	71·3	28·7
	Cabbage, Kohl-Rabi, and Rape - - -	87,356	54,408	61·6	38·4
	Vetches or Tares - - -	102,463	50,329	67·1	32·9
	Other Green Crops - - -	91,868	19,566	82·4	17·6
Total - - -	1,461,245	1,005,748	59·2	40·8	
Clover, Sainfoin, and Grasses under Rotation -	1,358,279	1,467,857	48·1	51·9	
Flax - - -	1,209	786	60·6	39·4	
Hops - - -	47,175	11,765	80·0	20·0	
Small Fruit - - -	47,725	20,397	70·1	29·9	
Bare Fallow or Uncropped Arable Land -	340,684	117,974	74·3	25·7	
Orchards - - -	63,876	149,087	30·0	70·0	
Market Gardens - - -	59,790	25,608	70·0	30·0	
Nursery Grounds - - -	7,104	4,530	61·1	38·9	
Woods and Plantations - - -	825,266	840,475	49·5	50·5	
Mountain and Heath Land <i>used for grazing</i> -	188,513	1,915,667	9·0	91·0	
Live Stock.					
Horses {	<i>No.</i>	<i>No.</i>	%	%	
	used solely for Agriculture - - -	404,144	379,403	51·6	48·4
Cattle - - -	unbroken, and Mares for Breeding - - -	181,789	219,411	45·3	54·7
	- - -	1,639,671	2,832,894	36·7	63·3
Sheep - - -	- - -	7,051,589	8,505,982	45·3	54·7
Pigs - - -	- - -	1,233,857	1,237,163	49·9	50·1

1.—ARABLE SECTION OF ENGLAND.

34. We shall now proceed to review briefly the evidence relating to the condition of agriculture in the arable section of England.

35. Among the counties included in this section, Essex appears, from the evidence we have received, to have suffered more severely than any other. Mr. Hunter Pringle, who reported upon the Ongar, Chelmsford, Maldon, and Braintree districts of that

county, states, "The depression of agriculture in Essex appears to have commenced about 1875, when the price of wheat fell from, say, 55s. to 45s. per quarter." . . . "Between 1875 and 1879 many farmers failed or gave up, but new tenants were easily found at slightly reduced rents." . . . "The consequences of 1879 were to severely cripple the old tenants, to ruin many of the new ones, and to inflict heavy losses upon landlords farming their own property." "Between 1880 and 1884 the number of farms given up either in despair or for reasons over which the occupiers had no control was stated to have been enormous." . . . "On poor estates no attempt was made to bring the land round; it was left alone, and gradually 'tumbled down' to such coarse and inferior herbage as nature produced." "A regular panic set in; some tenants who had hitherto weathered the storm refused to renew their leases upon any terms, while others continued from year to year at large reductions. From figures given to me in Essex it will be seen . . . that rents were reduced between 1880 and 1886 from 25 to as much as 80 per cent." Many farms, after lying derelict for a few years, were let as grass runs for young stock at nominal rents." We are told that "all over the Chelmsford, Maldon, and Rochford districts large farms can be seen half or three-quarters of which have either been permitted to run wild, or have been sown down in despair, and that there are numerous examples of farms, once renowned for the excellence of the corn produced, let for a short term on condition that the tenants paid the tithe, rates, and taxes." Mr. Pringle is of opinion that between 1879 and 1893, the season of 1887 is the only one glimmer of light shed over the three-horse clay lands of Essex, and that all that heavy-land farmers could say of that year was that they made ends meet. There have been numerous changes of tenancy on the more friable soils, "old tenants have gone and new ones come in large numbers, many of them were ruined or left after losing heavily." Only those who kept a considerable head of stock, or took to cow-keeping, appear to have withstood the consequences of bad seasons or low prices, and still continue in occupation.

Pringle,
Essex,
para. 37, 38,
39, 42.

Id., par. 44

Id., para.
49-50,

par. 46.

Pringle,
Essex,
par. 47.

Pringle,
Essex. par.
101.

Minutes of
Evidence,
Vol. I.,
App. A. ix,
1 to 3.

As regards the owners of land in the county, Mr. Pringle says, "rentals have been greatly reduced, arrears blotted out, remissions given, large sums expended on buildings, and in spite of it all, tenants are still unable to pay in full." He furnishes particulars of the rent on eight estates, showing reductions ranging from 29·0 to 71·0 per cent., the average for the whole being 52·6 per cent. in 13 years.

Mr. E. Lushington, Treasurer to Guy's Hospital, handed in a statement showing the rental of the Hospital Estates in Essex from 1801 to 1893. Comparing the acreage and rent for the five years, 1875-79 (when the highest rental was obtained), with that of the five years of 1889-94, it appears that though the acreage was slightly increased the rent had fallen by 5,571*l.*, or 12*s.* 8*d.* an acre, while the arrears of rent which at the earlier period were small were in the latter period 857*l.*, or 11½ per cent. of the year's rent. It is to be noted that in 1875-79 the tenants paid tithe in addition to rent, while in 1878-94 the rent included tithes.

Without taking the tithe into account, the rent was reduced by 48·4 per cent.

	Acreage.	Rent.	Per Acre.	Arrears.	Abatements.	Rent, Less Abatements.
1875-79	8,783	£ 12,175	s. d. 27 8	£ 34	£ 100	£ 12,075
1889-94	8,790	6,604	15 0	857	380	6,224
Reduction 48·4.						

A witness, who occupies a farm within seven miles of Chelmsford, said that Mr. Pringle's report as to the condition of the land in the south-east district of Essex was not exaggerated, but that it should not be taken as typical of the whole of the county. He added that he had met the difficulty of prices by close application and economy, by little variations in the system of cultivation, and by the sale of hay and straw in the London market. Rents in his district had been reduced from 25*s.* to 15*s.* per acre, and in exceptional circumstances from 25*s.* to 10*s.*

Mr. Darby, a land agent at Chelmsford, stated that for land in good condition there was still a demand, and that such land let in his district from 15*s.* to 1*l.* per acre, but that for stiff land in bad condition rent had fallen to 5*s.*

Mr. Rutter, auctioneer and land agent, said that small farms with a fair proportion of grass could be both sold and let even in the worst parts of Essex; but he added,

Matthews,
61,516,
61,518,
61,610,
61,470,
61,513,
61,667,
61,462.

Derby,
59,139.

Rutter,
34,198,

34,260,
34,316,
84,299.

the sale had fallen off very much in the past two years. In most cases, however, the purchases do not appear to have been made with the object of carrying on farming as a business.

Strutt,
13,812.

The Hon. E. G. Strutt, who farms about 6,000 acres in Essex, including 4,000 acres of land in hand, said that while in 1893 his farming operations on the land in hand had been a great failure, in the seven years ending with 1893 he found that, after paying a moderate rent but, without allowing any charge for management, there remained about six per cent. on the capital invested, about 32,000/.: a result which appears to have been due to a great extent to the development of a business in the sale of milk to contractors in London. This witness stated, however, that the true rent of land had practically disappeared except in favoured localities.

13,885-6.

13,880.

Pringle,
Essex, par.
69.

Mr. Pringle furnishes an interesting account of the position of a number of Scotch farmers who have settled in Essex. Describing the system of farming adopted by these settlers, he says, "the main points of difference between the English and Scotch systems of farming as practised in Essex are these:—The Englishman cultivates his land, and tries to pay his way by corn growing alone, or by combining corn growing with stock feeding and cow keeping. His expenses in labour, manures, seeds, and general farm management are heavy. The Scotchman carries out the temporary pasture system, keeping as small an acreage in cultivation as possible, and cutting expenses down to the lowest working figure. The Essex farmer is not afraid of a labour bill exceeding 2l. per acre. The Scotchman cannot endure the thought of any such expenditure in order to produce corn at low prices. The Englishman must and will farm his arable land well, he cannot bear to see it lying in grass which does not carry a heavy head of stock. The cautious Scot farms not for show but for profit, and so long as grass continues to pay something over and above rent, he does not disturb it."

Pringle,
Essex, par.
78.

Strutt,
13,891-4.
Matthews,
61,709-
61,718.

As regards the results of this method of farming Mr. Pringle states that, taking everything into account, and remembering how farmers have suffered in all parts of the United Kingdom since 1879, he is of opinion that the majority of the Scotch settlers in Essex have held, and are holding, their own. Similar views were expressed by Mr. Strutt; but another witness from Chelmsford could hardly say that the Scotch farmers were doing well.

Fox, Suffolk,
par. 47.

Id., par.
123.

36. In the neighbouring county of Suffolk the depression appears to have been felt almost as severely as in Essex. Mr. Wilson Fox says, "It is universally stated that the condition of the land has gone back since 1879, except in a few districts. On the clay and very light soils the land is frequently very foul, being choked with charlock, weeds, and thistles." He adds, "agriculturists in Suffolk are in great straits, capital has been slowly drained from the county, and the stage is now reached when it is impossible for landowners and farmers to go on drawing from private resources in the hopes of better times coming."

Fox, Suffolk,
pars. 75, 123.

As regards the position of tenant farmers in the county, matters are so serious that the Assistant-Commissioner states that he hardly knows how to lay the facts before the Commission with sufficient emphasis. Only the men with capital have been able to hold their own at all. They have not had to injure their business by curtailing expenditure in actual necessities; and have also been able to take advantage of a good bargain when the opportunity arose.

Everett,
18,782,
18,783.

Mr. Everett, a member of the Commission, stated in evidence that Suffolk farmers who had no other resources than their farms were steadily going into bankruptcy and ruin. "Taking the farmers of Suffolk as a whole," he says, "there was not a more capable, frugal, industrious, worthy class of men, and the bankruptcy of a farmer in all my early experience was a thing quite unknown. Now, that same class of men have seen the great bulk of their savings, or their fathers' savings, swept away, and with all their industry and pinching and care they are unable to preserve themselves from a very near approach to bankruptcy."

Fox, Suffolk,
pars. 57, 58.

The reductions of rent, in Suffolk have averaged about 50 per cent. There are said to be several large landowners who are getting absolutely nothing from their property after paying outgoings and family charges. Some owners have incurred heavy losses by having to wipe off arrears of rent, by having to spend considerable sums of money where farms have been left in bad condition before re-letting, and by having to drain land, and add to premises to attract tenants. "Where land has been thrown on the owner's hands, heavy expenses have frequently been incurred in putting it into condition, and often serious losses have ensued from farming it. In some cases landowners have even had to make fresh tenants a present of the tenant right, which is equivalent to paying a considerable premium to induce them to take

the farms. They see their incomes steadily diminishing, and they know not one year what their income will be next, they see their land deteriorating and their buildings falling into disrepair, they are unable to borrow money, and those free to sell cannot find a purchaser for agricultural land. And out of this diminished and diminishing income the same family charges, and the same interest on borrowed money, have to be paid. Owners and agents generally state that, if the present prices continue, buildings and drainage, in many cases, cannot be kept up as they have been, and if this is so, it would seem extremely doubtful whether tenants, under the circumstances, could be found to take farms at any price."

With reference, however, to the general question of rents, we are told, "farmers said over and over again that there was no question of rent now, and that they made money with high prices and high rents, and lost it with low prices and low rents. Some said that they would lose money if they had the land free, and no doubt this is the case on the poorer lands, for there are landlords with land on their hands with good buildings who are at the present time willing to make any terms rather than farm it themselves."

Evidence to a similar effect in respect of the conditions existing in Suffolk has been given to us by other witnesses.

According to a report by Mr. Looker, 19,880 acres of land in Suffolk, which were formerly arable, are now in pasture and of little or no value, and 15 farms are derelict.

Fox, Suffolk, par. 64.

Johnson, 7641, 7642, 7803, 7825, 7837, Biddell, 39,310. Minutes of Evidence, Vol. IV., App. C. 3.

37. The county of Norfolk has also been the subject of special inquiry by one of our Assistant-Commissioners, Mr. Rew, who reports that the depression commenced in that county some time prior to the Richmond Commission. Since 1881 matters have been steadily getting worse, and during the past seven years the situation has been gravely aggravated, the seasons of 1893 and 1894 having brought about a climax.

Rew, Norfolk, par. 21.

As regards the effects of the depression on farmers, Mr. Rew says:—"Twenty or thirty years ago, no class connected with the land 'held their heads higher,' to use a colloquialism, than the farmers of Norfolk. As men of considerable capital, conducting a profitable business on a large scale, and with a well-deserved reputation for enterprise and ability, they had a fair right to do so. Many of them owned the whole or a part of the land they farmed, and they lived in a style to which they might not unreasonably claim that their income and property entitled them. But all this has now very largely changed. The typical Norfolk farmer of to-day is a harassed and hard-working man, with little time to devote to anything but the struggle to make both ends meet. The survivors of the easy-going class of farmers are few and far between, and those who now occupy the farms are men who are holding on by sheer determination and hard work. Many of those with whom I came in contact were obviously keen and energetic men of business with a thorough and, as the phrase goes, 'up to date' knowledge of all the intricate details of their vocation. This might not, perhaps, apply universally to all the smaller farmers; but, as a general rule, no one who met, as I had the pleasure of meeting, a large number of Norfolk farmers, staying with some of them in their homes, and spending a considerable time with many others, could fail to be impressed with the conviction that at the present time all that energy and intelligence can accomplish is being done to combat their difficulties. The majority of farmers whom I met spoke in a very despondent and frequently almost a despairing way of their financial position. 'Losing money,' 'living on capital,' were frequent expressions, and I was told of many instances of farmers who had been ruined, some of them under very distressing circumstances. 'Men who have capital are wasting it; those who have none are being ruined,' said one witness. 'Scores of farmers are not making 5s. a week for themselves,' said another, who stated that in his own case he had drawn 100% from his deposit account in each of the past four years to make ends meet on a 400-acre farm. Another witness, farming 800 acres, said he should be much better off without the farm; he had lost 1,000% in 1894. The fact is that things had been getting steadily worse up to 1893; but with the autumn of 1894 came what may almost be termed a crash, and nine Norfolk farmers out of ten were in a state of absolute alarm."

Rew, Norfolk, par. 41.

Rew, Norfolk, par. 44.

In the opinion of Mr. C. S. Read, the condition of farmers in Norfolk is "verging on absolute ruin and wholesale bankruptcy" except on a tract of deep friable arable land in the north-east corner of the county. Notwithstanding the depression, this witness states that good lands with a certain amount of grass are still readily hired by men of means. Mr. Dewar, another witness from Norfolk, who farms on a corn rent, amounting in 1894 to 8s. 7d. per acre, stated that he would not say that the prospect of farmers in the county was one of very great prosperity, but he did not "see any reason why light land farmers should not make a living, even in these times, if they have a fair hire and adapt themselves to the times."

Read, 15,956.

16,050.

Dewar, 31,824.

Rew, Norfolk, par. 30.
Engleheart,
4188-4196.

The Norfolk Chamber of Agriculture put the reduction of rents during the period 1874 to 1894 at 25 to 35 per cent. on the best lands, and at 40 to 60 per cent. on the medium lands. They add that "on the very light, on the poor heavy lands, and on some of the fen lands, no rents can be obtained, there being numerous instances of farms abandoned and of farms let rent free."

Rew, Norfolk, par. 35.

"On the whole," Mr. Rew says, "the evidence laid before me may be said to fairly agree with the statement made by the Chamber of Agriculture. Their statement extended over a longer period than came specially within the scope of my inquiries, and making some slight allowance for the fact, I should be disposed to put the range at from 20 to 60 per cent; the average which would represent the largest quantity of land in Norfolk being probably about 35 or 40 per cent."

Id., par. 36.

He points out, however, that so far as he could discover, "it would not be true to say that there is any large extent of land absolutely abandoned, though no doubt a considerable area is really of more value for shooting than for farming."

Rew, par. 40.

He further states "the capital value of land in the county has naturally fallen enormously—in many cases by one-half. Several instances were given by witnesses of the land being not now worth the mortgage upon it." Mr. Rew furnishes accounts of the receipts and expenditure of some large estates in the county, which show striking reductions of income.

Rew, Norfolk, par. 28.

He reports that the position of the owners of land in Norfolk is very serious. The evidence of the effects of the depression is to a large extent patent. Many of the owners of well-known estates—men whose names are famous in the history of the county—have had their incomes so much curtailed that they have had to let "the Hall" and live on a more modest scale elsewhere. Others have been compelled to let their shootings and to practise severe retrenchment in every direction to enable them still to occupy their old homes.

Fox, Cambridgeshire, par. 34.

38. In Cambridgeshire agricultural depression is stated to have commenced between 1875 and 1879. Mr. Wilson Fox concludes his report on this county with the following words: "From a careful study of the evidence laid before me, I say that agriculture in North Cambridgeshire is in a very critical position, but that, owing to the nature of the soil, which is easier to work, and adaptable in certain districts to the growth of seeds, roots, vegetables, and market-garden produce, it has suffered less than the southern portion. But the position of affairs in the greater part of South Cambridgeshire is most deplorable, and on the south-western side the effects of the depression upon the land are such that considerable tracts of it are, for all practical purposes, worthless. The present position of agriculture in South Cambridgeshire is very similar to that of Suffolk, which I have described in a separate report."

Fox, Cambridgeshire, par. 83.

Fox, Cambridgeshire, par. 53.

The effects of the depression upon the farmers are said to have been generally disastrous. Yeomen farmers with mortgages were the first to succumb.

In the south a number of tenants have been ruined, and many are reported to be just holding on to their farms, living and farming from hand to mouth in the hope that a rise in prices may come. Changes of tenancy have been numerous, and, except in a few favoured districts, farmers have lost their capital and are consequently crippled at every turn.

Pell, 17,676, 18,036, 18,044.

Mr. Albert Pell, who is joint owner and occupier of 1,034 acres of land of first-rate quality in the Isle of Ely, stated that until 1892 he had paid himself a rental of 47s. per acre, but had paid no interest on capital. The years 1892 and 1893 had, he said, been disastrous with him.

Martin, 3906.

Another farmer from the same district told us that he had lost 13,000% between 1879 and 1890.

Fox, Cambridgeshire, par. 56.

The evidence as to whether large or small farms have suffered more from depression in this county is, it appears, sometimes conflicting, "but the weight of evidence certainly shows that large or medium-sized ones on fairly good soil, where the tenants have had sufficient capital, have felt it least. There are, however, districts in Cambridgeshire, in the Fens, which are well suited for small farms, the land being good, easy to work, and capable of growing market-garden produce and fruit. Particularly where such districts are accessible to markets, there are men to be found who are credited with being in a satisfactory position. But these cases are not common, and, generally speaking, the small farmers have been often squeezed out of existence, or are leading, together with their families, a life of unremitting toil, accompanied by great anxiety of mind, to obtain a bare livelihood."

Fox, Cambridgeshire, par. 42

As regards the position of landowners in Cambridgeshire, Mr. Wilson Fox observes that there are but few large owners of property in the county, and on this account the ownership of land has proved the greater burden, because those who own it are not large capitalists, who have other sources than the land upon which they can draw, but

are frequently dependent for their livelihood upon the profit derived from land. This class of owner, whose rental has been reduced 50 per cent., and who has the same family charges to meet, the same or greater estate expenses, and in addition land thrown on hand for which capital has to be found to farm, is frequently reduced to deplorable straits. Many farmers stated that "owners are worse off than occupiers," and yeoman farmers frequently said that they would gladly exchange their position for that of tenants.

On poor fen land rents have been reduced by 50 per cent., and in some cases by as much as 70 per cent.; on ordinary fen farms the reduction has ranged from 20 to 30 per cent., while on the marsh land between Wisbech and Long Sutton the reduction is about 15 per cent., and on small holdings in the neighbourhood of Chatteris rents are reported to have been very slightly altered. In the south of the county very heavy and light lands are nearly impossible to let, except sometimes at an almost nominal rent; and a considerable area of land is being farmed by owners or mortgagees.

Mr. Wilson-Fox furnishes several examples of recent sales of land, which show a great depreciation in the selling value, even in the best districts, while in the south much of the heavy and very light land is unsaleable.

39. In Lincolnshire the depression is attributed in the first instance to the bad seasons of 1875-1879, and then to the fall in prices which set in about 1882, at a time when there had been great losses through decreased yields, and sheep-rot, and when the land was deteriorated.

With respect to the condition of occupiers of land in this county, Mr. Wilson Fox says: "Generally speaking, the effect of the depression on all farmers has been to seriously cripple their resources. This means that in many cases their hard-earned and hard-saved money has greatly diminished, or entirely disappeared, and in many instances they have been so seriously hampered that it is with difficulty they can find the money to pay for labour, manure, feeding stuffs, and stock, and thus properly and efficiently carry on their business. They are getting little or no interest on their money invested in the soil; they have now to considerably alter their style of living; their credit is not so good at banks; they can save no money, and therefore cannot put their sons on to farms, or start them with advantage in other walks of life, and they have no prospect of buying land, which was the ambition of so many in the better times."

Farmers in the north of the county are believed to have lost more than those in the south, because the character of the soil in the southern districts has favoured the cultivation of turnip, mustard, mangold, clover, and other seeds, while market gardening and fruit growing have been more adopted. The Assistant-Commissioner is of opinion, however, that the large farmers in the north have lost more because they have more to lose; they have kept their land in a high state and would be able to reap the advantage of this if times improved. Farmers who have been able to take up dairying, market gardening, or poultry keeping, appear to be doing fairly well. The position of the greater number whose sole capital is invested in their land is, however, described as very critical, there being in most cases no margin of capital left to meet a bad year or any abnormal losses. Some witnesses, however, have stated that where rent has been reduced farmers can just hold their own in normal seasons at present prices, but that they have to meet their losses out of capital.

A witness from Wainfleet said that every farmer in his neighbourhood was losing money, but that notwithstanding this there were plenty of tenants to be had for good farms at a fair rent. Another witness, from the Heath district, said that he had done fairly well, except in bad years, but he attributed his ability to continue farming to the fact that he kept a good flock of prize sheep.

The evidence as to the size of farms which have suffered most from depression in this county is, as in the case of other districts, somewhat contradictory. The general opinion is that the large farms have suffered least, because they are occupied by men of considerable capital. On the other hand, the fact that there have been greater reductions of rent on large farms might lead to the conclusion that small farmers have suffered least, but this is said to be due to bigger labour bills on large farms, and to the fact that there is less competition for them.

It is generally agreed that small freeholders who bought their land before the depression and mortgaged it are worse off than tenants, as they are paying more in the shape of interest than the latter are paying in rent.

The effect of the depression on landowners in Lincolnshire is thus described by the Assistant-Commissioner:—"Their rentals have been greatly reduced, the freehold value of their properties has been largely decreased, both for the purpose of sale and borrow-

Fox, Cambridge, par. 43.
De Bock Porter, 482.
Fox, Cambridge, par. 46.
Par. 48.
Fox, Cambridge, par. 52.

Fox, Lincoln, par. 51.
Fox, Lincoln, par. 54.
Id., par. 102.
Id., par. 57.
Id., par. 99.

Fox, Lincoln, par. 102.
Id., 158, 161, 165.
Id., 101.
Turner, 14,247.

Epton, 35,875.
35,882.
Pears, 36,229.
36,248, 36,291.
36,286, 36,292.

Fox, Lincoln, par. 106.
Epton, 35,885.

Fox, Lincoln, 105.
Pringle, Axholme, pars. 11, 25, 27, 30.

Fox, Lincoln, par. 70, 91.

ing money, the condition of their land has in many cases deteriorated, and they have at the same time been called upon to spend increasingly large sums of money on buildings and repairs, while in most cases they are now paying tithe and land tax formerly paid by the tenants. Some, who have taken land in hand, especially heavy clay, or that which has been farmed out, have incurred great losses besides the loss of rent." He adds that in some cases there are owners who are drawing nothing from their properties, and that the mortgagees are taking what interest they can get, not daring to foreclose. Leading auctioneers, agents, and valuers stated freely that land was a drug in the market.

Fox,
Lincoln, par.
94, and
Appendix B.
4.

Mr. Wilson Fox quotes "examples of recent sales in different parts of the county of farms on various soils, and it will be seen in some cases that, even on moderate sized or small farms, the loss is frequently over 60 per cent., and in some cases more, while there are instances where mortgagees have lost over 60 per cent. of their money."

The list of examples furnished in his report shows that the fall in capital value has reached in several instances as much as 80 per cent.

It is further pointed out by the Assistant-Commissioner that these are not isolated cases picked out as the worst specimens, but that they were chiefly furnished to him by well-known men in all parts of the county.

Id., par. 71.
Id., par. 74.
Fox,
Lincoln,
83.

There has been a general reduction of rents throughout the county since 1882 varying with the situation of the farms and the character of the soil. Particulars have been put before us of the permanent reductions made between 1879 and 1894 upon 15 estates comprising 287,000 acres. On 17,000 acres the reduction was 20 per cent.; on 161,000 acres it ranged from 27 to 33 per cent.; on 91,000 acres it was 37 to 40 per cent.; on 15,000 acres it was 45 per cent.; and on 13,000 acres it was 50 per cent.; in all but two of these cases abatements were also given. At a meeting at Horncastle, it was stated, that small farms had been reduced about 10 per cent. on good land, 25 per cent. on poorer land, and up to 66 per cent. on bad land, while at Louth and Sleaford, it was stated, that the reductions on fair and good land averaged from 30 to 33 per cent. On many estates where there have been reductions of rent the expenditure on permanent improvements and repairs has been fully maintained, and in some cases increased. Where this occurs with largely diminished rentals, the outgoings represent, of course, a much larger proportion of the gross rent than was formerly the case.

Mr. Turnor, who gave evidence in 1894, tenant for life of an estate of 21,000 acres in Lincolnshire, had reduced his rents permanently by about 35 per cent. generally on large farms; and had given in addition abatements of 10 and 15 per cent. in 1892 and 1893. He had five farms of about 4,000 acres in hand, all of which he farmed; one he had worked for five years without loss, paying $3\frac{1}{2}$ per cent. on capital, and a rent of 16s. per acre; on the others, however, he had paid only the interest on capital, but little rent.

Pringle,
Bedford, &c.,
par. 249.
Id., 59.
Id., 1185.
Id., 163.
Id., 240, 250.
Looker, 41,200-7,
41,283.
Britten, -
56,508.
Tebbutt, 7141-2.
Pringle, Beds,
&c., 96.
Huskinson,
756-7.
Britten, 56,445-6.
56,450-1, 56,470,
56,473, 56,547,
56,548.
Nunnally,
56,023-7, 56,054.
Looker, 41,189.
Tebbutt, 6922.
De Bock Porter,
399.
Wantage, 4544.
Pringle, Beds,
Hunts, and
Northants, par.
163.
Id. pars. 249, 250.

40. We have now dealt with the evidence relating to what may be described as the typical corn-growing counties in the arable section of England. In the remaining counties included in this section, the effects of the depression have manifested themselves on the whole in a similar way. Even on the good lands there have been failures and loss of capital, and on very light soils, and on the heavier clays, with a greater proportion of arable than pasture, the depression has been more serious. In the counties of Bedford, Hunts, and Northants, Mr. Pringle says, "Reviewing the transactions of my 11 weeks' stay in this district, I can assure the Commissioners that the anticipations which overwhelm the mind in Essex were seldom far distant when going about the corn-growing parts of Beds, Hunts, and Northants." He adds "four classes of farmers have weathered the storm in so far that an outward appearance of prosperity is kept up; those with private means, those engaged in other business, or who combine with farming, dealing, or agencies, those who occupy land near towns, and take advantage of their position by selling milk, potatoes, vegetables, hay and straw, those who have not put their eggs too much in the wrong basket—corn-growing. Grass farmers, fen farmers, market gardeners, and dairy farmers have done best of all. Probably a few of these have succeeded in saving a little money, but the most that could with assurance be said is, they have not lost, taking the period of 15 years as a whole. With these few exceptions, everybody engaged in agriculture has lost money." Owners of lands in these counties are stated to have experienced the effect of depression in the shape of reduced rentals, increased arrears of rent, and increased expenditure on improvements and repairs. Generally speaking, rents have been permanently reduced by 23 to 36 per cent. on good and fair lands, and on poorer soils, by 40 to 50 per cent.

41. In some parts of Hampshire, the depression has been almost as severe as in Essex. One witness stated that many estates in the county have not paid working expenses for a long time, and that the tenants are being ruined. This applies mainly to the corn-growing districts, though sheep farms have also suffered heavily. The evidence we have received relating to this county is generally corroborated by Dr. Fream in his report on the Andover district, wherein he states that in the area which came under his observation he did not meet with a single exception to the rule that rents have been reduced during the past 12 years, and that in some cases these reductions have been so great that tenants are practically keeping on the farms at their own rentals.

Stratton, 6446,
6450, 6480-5,
Raynbird, 6197,
2208.

Fream,
Andover, 5, 12, 1.

42. In Berkshire and Hertfordshire depression appears to be particularly manifest in the remoter districts and where the land is poor and heavy, but in the latter county its effects have been generally less acute, owing to the facilities for the sale, and delivery by road, of hay, straw, and other produce in London.

Spencer, Herts,
par. 59, 62, 54-55
Holzmann, 8882-
85.

Lousley, 31,155.
Adams, 42,018.
Spencer, Berks,
par. 47, 76-78.
Lousley, 31,145-
51.

Adams, 41,917,
41,923.
Wantage, 4402,
4472.
Latham 37,799.

On the heavy soils of Hertfordshire, particularly on the borders of Essex, changes of tenancy have been numerous, and the amount of land thrown on the hands of owners is said to represent over 20 per cent. of the cultivated area.

Mr. Spencer states that in Berkshire the poor hill land has suffered most. There is a quantity of land on hand, specially on the hills, and some of it is now very poor grass. But the richer vale land north of the downs is said to be well occupied, and about Wallingford the farms are frequently cultivated by substantial men with plenty of capital who have apparently borne the stress of the depression well.

Rents in these counties have been reduced about 30 per cent. on good land, and up to 50 per cent. on poor farms, while in some cases on the poor down land the reductions have been greater.

43. The position in Oxfordshire is very similar to that existing in Berkshire. There is a considerable difficulty in letting arable farms, and on the stonebrash land rents are said to have fallen from 30 to 50 per cent. In the neighbouring county of Buckinghamshire the conditions in the Vale of Aylesbury, are more encouraging, especially in the pastoral districts. Rents have been reduced from 20 to 30 per cent.; there is no land unlet, and changes of tenancy have not been frequent.

Spencer, Oxford,
par. 73, 44.

Spencer, Bucks,
pars. 5, 10, 21, 38.
Treadwell, 39,757,
39,760, 39,768.

44. In Warwickshire farms situated in districts with heavy soils, which form a considerable part of the county, have experienced the effects of the depression to a serious extent, and a large area of land is reported to have tumbled down to grass; mixed farms with a greater proportion of pasture, and arable farms embracing good turnip land have done better. Dairying in the neighbourhood of towns is also reported to have been more successful than other branches of farming. Reductions of rent have ranged from 20 to 30 per cent. on the average, but on the strong soils they have amounted in some cases to upwards of 50 per cent. There is still a demand for good farms in the county.

Turner, Warwick,
par. 7, 8, 15, 21.
Turner, 11,671,
11,677-8, 11,681-4.
Bomford,
14,712-3.
Turner, 11,724,
11,743, 11,757.

Bomford, 14,735,
14,627.

45. In the case of Leicestershire the evidence as to the effects of the depression is somewhat conflicting. One witness from the county stated that rents had fallen on an average by 40 per cent. in 15 or 20 years, and that with these reductions, if prices should prove stable, tenant farmers were farming under favourable conditions. Another witness, who put the reduction at 25 per cent., said that in his opinion there were not 20 farmers in the county who were doing fairly well. Generally speaking, however, we gather from the evidence that the depression in Leicestershire is much less manifest than in many of the counties already described. The farms are mostly mixed and under 200 acres in extent; sheep breeding, dairying, and grazing are the principal branches of farming, and there is a good local demand for farm produce.

Sparkes, 20,959-
61, 20,979, 20,989.
Huskinson, 829,
835, 852, 853, 842-
46.
Rolleston, 13,330,
13,374, 13,356-7.
13,374.
Sparkes, 20,960-1,
20,979, 20,989.
Sparkes, 20,959.

Huskinson, 761,
703, 737, 750-2,
833, 1741-2.
De Bock-Porter,
400-1.

Pringle, Yorks.
B.R., par. 23, 40.
Biley, 36,420.
Huskinson, 717-
1044, 717-8, 745,
765-7, 847, 899,
1088-1101, 1143-
1081, 1141.
Rowlandson,
17,359, 17,393,
17,413.

46. In Nottinghamshire and York, East Riding, farmers in many districts have suffered severely, but on the grass land in the valleys, and in localities suitable for dairying, occupiers of land are in a more satisfactory position. On the strong clay lands of these counties, as well as on the thin soils and hill lands of Nottinghamshire, reductions of rent have ranged from 30 to 50 per cent., and in other districts rents have fallen from 16 to 20 per cent.

47. As regards Kent, Dr. Fream in his report on the Maidstone district says that in some parts, especially outside the hop lands, very material reductions of rent have been made, notwithstanding which much rent remains in arrears. A witness from the Faversham district stated that the depression had been very much felt in his neighbourhood, and that there was a good deal of land on the owners' hands. He added that he

Fream,
Kent, par.
16.

Finn,
56,645,
56,650-1,
56,804.

Kingscote
153, 158-80,
181-2.
Fream,
Kent.
par. 5.

had 2,000 acres of pasture land in the Isle of Sheppey which he would let at 7s. 6d. per acre, whereas it formerly fetched 2l. per acre. The position of affairs is thus described by Dr. Fream: "Since 1879, there has been a steady drain upon farmers' resources It is necessary, however, to draw a distinction between the hop growers and those farmers dependent chiefly upon sheep and corn who surround, but are not within, the hop-growing area On the corn-growing farms as distinguished from the hop farms the depression is severely felt. Corn, I was told, pays no rent, whilst hops and fruit have enabled many a man to weather the storm, who might otherwise have gone under."

Kingscote, 183,
153-80, 181-2,
Ingram, 3872-77,
3551-62, 3482,
3501, 3511-12,
3514, 3527, 3530,
3546.

48. In Sussex, taking the county as a whole, there are fewer signs of depression than in many of the counties already discussed, although arable and sheep farms, here as elsewhere, have not escaped the effects of the fall in prices and the drought of 1893. A witness from East Sussex stated that on two large estates in that part of the county there had been permanent reductions of rent of 42½ per cent., in addition to abatements, and on the Goodwood Estate we learn that the agricultural rents were reduced 27 per cent. from 1879 to 1892, and that in 1893 the reduction amounted to 37 per cent. In this county many farmers have the advantage of being in close proximity to seaside resorts, where there is a large demand for vegetables and fruit. Poultry rearing is also carried on to a great extent with success in some parts of the county, and dairying has been taken up, though it appears that this industry has not been so successful.

Richmond and
Gordon, 22,550,
22,502.

Rew, Heathfield,
par. 55.

49. In the foregoing paragraphs we have summarised the evidence relating to the condition of agriculture in the arable section of England; we now propose to review in a similar manner the facts at our disposal relating to the effects of depression in the grazing counties.

2.—GRAZING SECTION OF ENGLAND.

50. The grazing section of England is separated in the agricultural returns into two divisions, one of which comprises the western and southern counties, the other including the counties north of Shropshire and Worcester.

Rew, Salis-
bury Plain,
par. 8.

Rew, Salis-
bury Plain,
par. 102.

Hicks-
Beach,
6039-42,
6046, 6156,
6193.

Rew, par. 20.

Squarey,
7218-7226.

Kingscote,
89-90.

Hicks-
Beach,
6087-6095.

Rew, Salis-
bury Plain,
38-39.

Spencer,
Oxford, &c.,
par. 79.
par. 12.
par. 46.

51. Of the counties embraced in the western and southern group, Wiltshire has experienced the effects of agricultural depression to a serious extent, especially in the southern parts of the county where corn growing and sheep breeding have hitherto formed the chief branches of farming. Our Assistant-Commissioner who reported upon South Wiltshire says: "The general impression conveyed to my mind was that the district has been very hardly hit by the depression, that landlords' incomes have been largely and permanently reduced, that tenants have lost heavily notwithstanding large reductions of rent and considerable reductions of outlay, and that a large number of labourers have been forced to seek work elsewhere. . . . There are thousands of acres just on the margin of cultivation under present conditions, and very slight further pressure would inevitably lead to their being turned, as much of the hill land has already been turned, into rough sheep runs of literally prairie value." According to the Assistant-Commissioner, the average reduction of rent in the Salisbury Plain district since 1881 is 47 per cent.; this, however, is much exceeded in some instances, but it would be misleading to suppose that all the land in the district has fallen to an equal extent, for there is a certain quantity in the valleys, and let in small holdings, which has not been so hard hit as the farms containing a large proportion of down-arable or down-pasture. The chief alteration which the depression has brought about in the ordinary methods of farming is a large extension of dairying, and in many instances milk production has been taken up as a mainstay.

In north-west Wiltshire, where dairying and grazing are the chief features of farming, and sheep are kept in the arable districts, the signs of depression are much less apparent. Here, we are told, there is no land unlet and no difficulty in finding tenants. Mr. Spencer, who visited this district, is inclined to agree with a dairy farmer, who said that "with reduced rents and the low prices of feeding stuffs the British farmer may hold his own." Rents have been permanently reduced in the grass districts of north-west Wilts from 10 to 30 per cent.

Spencer,
Oxford, &c.,
par. 9.

52. The evidence relating to Gloucestershire shows that in the Cotswold district there is much depression. In the hill country between Cirencester and Northleach

there is a large amount of land untenanted, and either farmed by landlords or allowed to go out of cultivation altogether. This is essentially a sheep district, though corn is also grown to a large extent. In this neighbourhood there is a great deficiency of railway accommodation. Mr. Spencer says, "starting from Cirencester in the direction of Cheltenham after passing North Cerney, about 4 miles from the former town, there is scarcely a farm which is let. The amount of land in hand in this part was roughly calculated for me at about 20,000 to 30,000 acres." On the better land round Kingscote there is also land unlet, but not to the same extent. In the dairying and grazing districts of the Vale of Gloucester there is, however, no land unlet and no difficulty in finding tenants.

On the Cotswold Hills there have been reductions of rent from 30 to 50 per cent., the average rental now ranging from 5s. to 15s. per acre; in the Vale of Gloucester the reductions range from 10 to 30 per cent., the usual rent at present being 25s. to 45s. per acre.

53. In describing the position of agriculture in Dorset, Mr. Rew says that while the variety of conditions in the county makes generalisation difficult, it may be fairly said that tenant farmers have had their incomes considerably reduced and their capital seriously depleted, and that while landlords have, as a rule, met the times by substantial reductions of rent, these must inevitably go still further. The heaviest losers in the county are occupiers of the poor corn-growing farms; and the conditions might have been worse were it not for the fact that most of the arable farms have a dairy and the receipts from stock and dairy produce are greater than those from corn. The dairying districts in the west and north of the county have done better than other parts. The fall of rents has been greater in mid- and east-Dorsetshire than in west- and north-Dorset; on the average the reduction on dairy farms has been from 10 to 20 per cent., and on mixed farms from 20 to 30 per cent. On the best dairy lands there are instances where little, if any, reduction has taken place, while on the thin, poor soils there are numerous instances where the reduction has amounted to 40 and 50 per cent.

54. The condition of agriculture in Somerset, Devonshire, and Cornwall is, on the whole, more favourable than in the three counties dealt with above, though the arable districts here, as elsewhere, have been seriously affected. In North Devon, which is noted for stock-rearing, we are told that there are practically no farms unlet, and that, putting aside farms having special advantages of situation, a permanent reduction of from 10 to 15 per cent. since 1881 would fairly represent the average fall in the actual letting value of agricultural land in the district; in many cases there has been no reduction at all. Evidence to a similar effect has been forthcoming from South Devon. In Somerset the reductions of rent appear to have been generally greater than in Devonshire, and on arable farms in the Frome district they range from twenty to forty per cent. Few farms are unlet, and great attention is being paid to dairying and grazing, much arable land having been laid down to grass. The evidence relating to Cornwall also shows that arable districts have been affected to some extent from depression, but generally speaking the condition of agriculture in the county is comparatively satisfactory. In Cornwall, as in Somerset and Devonshire, grazing and dairying are practised to an increasing extent, and in the first-named county the cultivation of fruit is favoured by the mildness of the climate. Farmers in these three counties suffered severely from the drought of 1893.

55. The evidence relating to the counties of Salop, Herefordshire, Monmouthshire, and Worcestershire indicates that the effects of depression here have not been so manifest as in other parts of the country, except in arable districts with strong soils. Dairying and grazing are the chief branches of farming in these counties. In Herefordshire and Worcestershire fruit and hops are largely grown, and in some parts of the latter county, market gardening is carried on with success. There are few farms unlet; on good grass lands, hop land, and dairy farms, rents have in many instances been maintained, and reductions have apparently seldom exceeded 15 per cent. On heavy soils and arable farms in Salop, Herefordshire, and Worcestershire the reductions of rent have ranged from 20 to 30 per cent., in the Bridgnorth district up to 40 per cent. Two witnesses from Salop stated that they had lost capital during the last few years, and this would apply, more or less, to arable farmers in all the counties referred to in this paragraph, with the exception that in the Chepstow and Portskewitt district of Monmouthshire, perhaps one of the best barley districts in the country, arable farmers have maintained their position fairly well with a reduction of something

like 15 per cent. Dairy farmers and graziers have done best. In some parts of these counties the drought of 1893 caused material losses.

56. We have now to review the evidence relating to the position of agriculture in the central and northern counties comprised in the grazing section of England.

57. In Cheshire and Derbyshire, which are mainly devoted to dairying, the depression has not been so seriously felt as elsewhere, although farmers in these counties have experienced difficulties during the past two or three years, owing partly to the drought of 1893, and partly to the fall in prices. In Cheshire there seems to have been no general reduction of rent, though remissions have been given in some years, and a few cases are mentioned of reductions of 10 per cent. There is no difficulty in letting farms in this county. In Derbyshire reductions have varied from 10 to 33 per cent. Farms are easily let, mixed occupations being mostly in demand.

58. Coming to Staffordshire, in districts where dairying and grazing are largely practised, we find that the conditions are very similar to those existing in Cheshire. One witness stated that rents in Staffordshire have not been reduced on the average by more than 10 per cent. On farms with a large proportion of arable rents have fallen 20 per cent., and on some all grass farms there has been no fall. The average reduction on the Duchy of Lancaster estates in this county is 25 per cent. Mixed farms up to 200 acres let readily.

59. In Cumberland there is "comparatively little outward and visible sign of agricultural depression;" no farms are unlet, and there is plenty of competition for them at the existing rents. In Westmorland the circumstances are practically identical with those in Cumberland. Rentals have been reduced between 20 and 25 per cent. in both counties; where farms have been let by tender in Westmorland the reduction is said to be from 30 to 50 per cent. The chief branches of farming in Cumberland are grazing and feeding of stock, breeding of horses, and the cultivation of a large area of arable land for the growth of corn and hay for sale. In Westmorland dairying and breeding of cattle is practised in the lower lands and sheep raising in the high districts. While farmers in Cumberland have suffered less than those in other counties, Mr. Wilson Fox states that much capital has been lost in the county, particularly since 1886, owing to the fall in the price of sheep and cattle in 1892 and 1893, still, with the prices obtaining in 1895, he considers that Cumberland farmers could continue to pursue their calling without loss.

60. Lancashire is another county in which the signs of depression are not so patent as in other parts of the country. Agriculturists in this county benefit from the neighbourhood of large towns and mining centres. There is no difficulty in letting farms, and with reductions varying from 5 to 10 per cent. rents are fairly well paid. Evidence has, however, been put before us that some Lancashire farmers have been hard pressed by the fall in prices in the past few years; although, on the other hand, many farmers have held their own.

61. In the four north-eastern counties of Northumberland, Durham, York North Riding, and York West Riding, the position of agriculture resembles very much that existing in Cumberland and Westmorland. Arable farmers have lost considerably from the fall in the price of grain, and sheep breeders have suffered from the fall in wool and from the low prices of sheep in 1892 and 1893. Graziers and horse-breeders have done better, and among dairy farmers depression, if it exists at all, is of a mild type. Rents have been reduced, since 1879, by 20 and 30 per cent. on arable farms, but on grass farms the reductions have been less. Landlords' outgoings on improvements are stated to have been considerably increased of late years. It is generally agreed that farmers have lost a large amount of capital in these counties. Nevertheless, farms appear to let readily, and in dairying and grazing districts, and on some arable farms in the neighbourhood of towns, farmers are holding their own, though with reduced profits. On arable farms more remote from the manufacturing and mining centres, and on many of the sheep farms, the aspect of affairs is discouraging. In York North Riding the conditions are less satisfactory than in the other three counties above referred to. A witness from this division of Yorkshire stated that the position of agriculture there was deplorable, and that farmers were losing money year by year. He estimated the average fall in rents at 25 per cent. except in the Dales, where the reduction had not been so large, and where the depression had been less severe.

Parker, 10,400,
10,407, 10,432-7,
10,592-6, 10,610.
Cocke, 22,012,
22,017, 22,266.
Edwards, 25,114-
17, 25,118-21,
25,178, 25,241-6,
25,260-4, 25,300.
Parton, 25,968-9,
35,971, 26,158-9.
Finney and
Osborne, 35,24
35,234, 35,352,
35,541, 35,518.
Murray, 5051-5,
5039-44, 5052-4,
5130, 5038, 5117,
5445.
Huskinson, 770,
780.

Smith, 9771, and
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Smith, 8057-9,
8099, 9609, 9610,
9670.
Sheldon, 21,520,
21,710-2, 21,771-2.
Engleheart, 4122-
4134.

Fox, Cumber-
land, pars. 38, 41,
6, 42, 70.
Punchard, 15,013,
14,838-55, 15,021,
15,022, 15,084-97.
Dobson, 13,036-
71, 13,210.

Fox, Garstang,
20, 26.
Worthington,
12,515-6, 12,526,
12,541, 12,593,
12,600.
Mercer, 27,254-
26,262, 27,269,
27,272, 27,299,
27,387, 27,411,
27,428.
Fox, Garstang,
20.

Pringle, Dur-
ham, &c., 55-57.
Fox, Glendale, 17.
Forster, 32,146
32,245-49.
Wilkinson,
31,121-330,
31,430, 31,445,
31,498, 31,509-11,
31,575-6, 31,637-9.
Pringle, Dur-
ham, 50-51.
Fox, Glendale,
par. 18.
Forster, 32,159.
Scott, 29,984-91,
30,042-44,
30,112-15,
30,141, 30,191-3.
Lipscomb,
20,561-66,
20,787-8.
Broughton,
15,294-307,
15,327-30,
15,436-7,
15,489.
Parker, Norfolk,
60,881, 60,884,
60,910-25,
60,930, 61,029,
61,038, 61,050.
Hutchinson,
43,731-747,
43,766.
Rowlandson,
17,359-72,
17,391-3, 17,405,
17,413-4.
Engleheart, 4180.
De Bock Porter,
428.
Hutchinson,
43,761-77, 43,766.

3. WALES.

62. In Wales, which is mainly a pastoral country (over two-thirds of the cultivated acreage is permanent pasture, and in addition there is a large area of hill grazing and mountain land) agricultural depression has, relatively speaking, been generally of a mild character. Districts with a large proportion of arable land, especially in Denbigh and Flint, have been most affected by the fall in prices. In parts of these counties rents have been reduced, particularly on large farms, from 20 to 30 per cent., and abatements have been given of 15 and 20 per cent.; there is, however, no difficulty in letting farms. In Anglesea, where stock raising is the principal branch of farming, great losses resulted from the fall in the price of stock between 1886 and 1893, and from the drought of the latter year, but the position has since improved. There appear to have been no permanent reductions of rent in this county, and remissions which were given at the beginning of the depression are said to be gradually dropping off. The position of stock breeders and feeders in other parts of Wales resembles in many respects that of the Anglesea farmers; in common with whom they experienced heavy losses from 1886 to 1893. Sheep farmers have also suffered from the fall in the prices of wool, and from the effects of the drought of 1893. Dairy farmers, on the other hand, have apparently held their own. Since 1893 the outlook in the grazing districts has been more encouraging.

63. Except in the arable districts in the north, to which we have referred above, and in some parts of Glamorganshire, there have been few permanent reductions of rent in Wales, and these have not, as a rule, exceeded 10 to 15 per cent. Remissions and abatements, ranging from 10 to over 20 per cent., have, however, been more general. There is apparently a great competition for farms, especially for small farms, and changes of tenancy are not frequent. It is generally agreed that occupying owners, who have mortgaged their farms, are very seriously embarrassed.

64. From the evidence before us relating to Wales, it would appear that owners and occupiers have not hitherto experienced the effects of the depression in that country so severely as in many parts of England. This has been largely due, in the first instance, to the natural characteristics of the Principality, which are such as to favour stock raising, sheep breeding, and dairying, and (in some districts in the south) market gardening; and, secondly, to the proximity of large towns, watering places, mining and colliery centres, with a large demand for farm produce. Owing to these natural and economic advantages, Welsh agriculture has not been exposed to those depressing influences which have so seriously affected the arable districts of England. Nevertheless heavy losses have been sustained in Wales from the fall in the price of lean stock, wool, and cheese, though in the past two years there has been some improvement in this direction.

Williams, 57,680-2,
57,684-73,
57,752-62,
57,691-92, 57,800.
Pennant,
57,216-22,
57,224, 59,284.
Davies, 58,539-47,
58,556-8,
58,597-903,
58,932, 58,953-4,
59,019-22.
Davies, 59,564-
Roberts, 59,831,
59,841, 59,853,
59,913-8, 59,927.
59,947.
Hughes, 55,581,
55,620-3,
55,660-80,
55,693-711.
Pennant,
57,223-40.
Roberts,
55,822-41.
Jenkins, 56,856-8,
57,120-7,
57,165-188.
Jones, 57,926-3,
57,972-5, 58,172,
58,158-168.
Fisher, 58,422-34.
Davies,
59,618-622.
Drummond,
60,120-34.
Griffiths,
60,790-793.
Jenkins,
56,886-904.
Hughes, 55,589.
Jones, 57,929-35.
Fisher, 58,354-5,
58,361-5,
58,383-94.
Price, 59,545-50.
59,552-53,
59,608-74.
Roberts,
55,902-8.
Davies, 59,983-7.
Price, 59,591,
59,612.
Roberts, 55,925.
Davies,
60,018-25.
Drummond,
60,158-9, 60,163-9,
60,507-512.
Kirby, 60,677-83,
60,710-9.
Williams,
57,900-3.
Jones, 57,976-85,
58,292-305.
Price, 59,558-63.
Davies, 60,030.
Drummond,
60,416-420.

4. SCOTLAND.

65. The counties of Scotland are grouped in the agricultural returns in an eastern and a western division.*

Arable Division.

The eastern or arable division embraces the group of counties in the east and north-east, extending from Roxburgh in the south to the Moray Firth. The condition of agriculture in all these counties, with the exception of Kincardine, Clackmannan, and Kinross, has been reported upon by Mr. Hope. In his report upon Banff, Nairn, and Elgin, and the seven counties south of the Firth of Forth, he says: "Throughout the whole of the districts visited by me, I have been informed that during the past 10 years there has been agricultural depression and that it has been very severe in all the districts with the exception, possibly, of a certain area in Mid and West Lothian, where most of the produce is sold off the farm. In these latter cases the depression has not been quite so severe as in the other districts concerned, but all round there has been depression, and both landlords and tenants have felt the pressure of hard times." He learned that in recent years the capital of farmers had been so seriously diminished that many of them are now unable to buy in lean stock for the consumption of turnips and straw on their farms. Rents have decreased very seriously, and landlords have been sharers in the general depression. The reductions of rental have varied, but they

Hope,
Roxburgh,
&c., par. 22.

Id., par. 26.

Id., par. 31.

* *Eastern or Arable Division.*—Roxburgh, Selkirk, Peebles, Berwick, Haddington, Edinburgh, Linlithgow, Fife, Kinross, Clackmannan, Perth, Forfar, Kincardine, Aberdeen, Banff, Elgin, Nairn. *Western or Grazing Division.*—Dumfries, Kirkcudbright, Wigtown, Ayr, Lanark, Renfrew, Stirling, Dumbarton, Argyll, Inverness, Ross and Cromarty, Sutherland, Caithness.

Id., par. 22. cannot "be fairly stated at less than from 25 to 30 per cent." In spite of the hard times, there was an increased demand for farms in 1893 and 1894, particularly in the Lothians, owing partly, it is stated, to a belief that things had then reached their worst.

Hope, Perth,
par. 6 and 7.
par. 32.
par. 34.
par. 37.

66. In his report on the counties of Perth, Fife, Forfar, and Aberdeen, Mr. Hope also states that depression of a very acute kind has prevailed during the past ten years. Rents "have fallen from 10 to 50 per cent., and the average fall may be stated at 30 per cent." In these counties, as in those already referred to, there has also been an increased demand for farms in recent years, "prospective tenants speculating upon the return of good times."

Gibb, 55,385,
55,480, 55,388.
Elliott, 52,440,
52,453-5, 52,435-8,
52,434.
Dun, 53,196-7,
53,267-8, 53,371.

67. The witnesses we have examined from the eastern counties of Scotland have generally confirmed the account furnished by the Assistant-Commissioner. In Berwickshire, rents, we are told, have fallen 40 per cent. in 15 years; in Selkirk they have dropped from 20 to 40 per cent. In both counties, tenants are losing capital, but they have managed to maintain their position, though in many cases with considerable difficulty.

Black, 51,530-3,
51,557-8, 51,670,
51,662.

Except on heavy clay lands depression has been apparently less felt in districts adjoining the Moray Firth. In Elgin the reduction of rent has been on the average 25 per cent.: on large clay land farms about 33 per cent. Farmers are just able to make a fair living at the reduced rents.

Muirhead,
30,458, 30,443,
30,465, 30,425,
30,367-71.
Gordon, 52,619,
52,622.

In Aberdeen, we are told, there is very little difficulty in letting good farms, sometimes even at a rise of rent; but on inferior land rents have fallen about one-third. Mr. Muirhead, agent for the Aberdeen Estates, said that he had no experience of depression so far as rental is concerned, and that tenants are apparently making ends meet, and there were numerous applications for farms. A revaluation of part of the Aberdeen Estate has, however, resulted in a reduction of rent upon these farms by 23 per cent.

Stuart, 51,865-6,
51,868-61,
52,135-5, 52,146.

In Banffshire farmers are stated to be losing capital. In some cases rents have been reduced by 30 per cent. on changes of tenancy.

Ferguson,
22,808-10, 22,815,
22,836, 22,831.
Hutcheson,
24,379-80,
24,391-2,
24,623-4.
Flockhart,
52,726, 52,718,
52,730, 52,749.
Ballingall,
54,130, 54,223.
Kinnear, 50,917,
50,923-5, 50,946,
50,971.
Fyvie, 54,068,
53,995, 53,951.

According to witnesses from Perthshire, farmers in that county are not well off, and their condition is not improving. Rents have been reduced on the average from 20 to 25 per cent., while on the clay land the reductions have ranged from 30 to 50 per cent. There has been a greater demand for farms in the last two years, and rents for good farms have become firmer. A witness from Fife said that farmers had severely felt the depression, but a large quantity of land had been put under grass, and tenants now appear to do fairly well. Rents have been reduced from 30 to 35 per cent., and with these reductions farms let readily, but the land is not so well cultivated as formerly. A farmer from East Fife put the reductions of rents at 40 per cent. on the average; and in this district, although farmers had suffered severely, there were nevertheless a demand for farms. Another witness from the same part of this county said that rents have been reduced on the average 33 per cent., and he thought that with these reductions farmers were making a fair living where they had adequate capital.

Bell, 26,421,
26,416.
Ralston, 25,137,
24,813.

In Forfarshire rents have been reduced from 22 to 30 per cent. Tenants are making two ends meet, and there are plenty of applicants for farms.

Grazing Division.

Speir,
par. 5-10.
par. 11.
par. 20.

68. Some of the principal counties included in the Western Division of Scotland, viz., Ayr, Wigtownshire, Kirkcudbright, and Dumfries, have formed the subject of an inquiry by Mr. Speir, one of our Assistant-Commissioners. Dairying in some shape or form is more or less practised in all these counties, while in parts of Ayrshire vegetables are largely grown, and in Wigtownshire and Kirkcudbright cattle-breeding and feeding and hill sheep-farming are carried on. Clydesdale horses are also bred in all these counties. Mr. Speir in his report says "while depression certainly exists, and land has fallen more or less in value, there has been nothing like a total collapse of farming; there are no farms on the landlords' hands, much less lands lying idle, nor is there the least difficulty of letting a farm of almost any kind . . . while in some of the districts rented the fall in rents has been comparatively speaking very little, in others, more especially in the sheep farming districts, it has been very heavy." He adds, "while it can scarcely be said that farmers of the south-west are suffering as acutely as those of many other districts, evidence was everywhere plentiful that it was only in isolated cases that those farming under long leases, where the rents had not been adjusted, were doing any good, while the majority were barely making ends meet, many were living on the savings of previous years, while not a few were gradually being drained of their capital."

par. 29.

Hannah,
51,275,

We have also received oral evidence from some of these counties reported upon by Mr. Speir. A witness from the Girvan Mains district of Ayrshire said that there was

not much depression in his neighbourhood; rents had been reduced 5 per cent., and in other parts of Ayrshire from 10 to 20 per cent. In Wigtownshire we learn that there have been reductions of rent on some estates, and that there is a great competition for farms.

Rents in Dumfries are said to have fallen 16 per cent. on the average, exclusive of abatements; but here also there is a great demand for farms.

69. The only other counties in this Division of Scotland from which we have evidence are Renfrewshire, Argyllshire, and Caithness. Agricultural depression is said to be measured in Renfrewshire by a fall of about 10 or 15 per cent. in rents, depression reached the county later than elsewhere, and tenant farmers are doing fairly well. A tenant farmer in Argyllshire has "not made a shilling" for 40 years, but he has not lost capital. Sheep farmers in the same county are stated to have experienced serious losses during the past 10 years from the fall in the price of wool, and much of their capital is said to have been lost. Rents of sheep farms have apparently fallen from 25 to 40 per cent., and in exceptional cases up to 60 per cent.

70. In Caithness, which has a large area of arable land, depression has been apparently as severe as in the south-eastern counties of Scotland. Rents, we are told, have been reduced from "30 to 50 per cent. on the large holdings, from 20 to 30 per cent. on medium sized farms, and from 10 to 60 per cent. on the small holdings." There are a great many burdened estates in Caithness. Breeders in the county were seriously affected by the drought of 1893.

51,331-2.
McConnell,
55,220,
55,333.
Gillespie,
50,794,
50,806-7.
Peile,
52,166,
52,218,
52,219,
52,256.
Dickie,
52,415,
52,417.
Campbell,
54,771,
56,781,
54,787-8,
56,856,
56,951.
Brown,
62,507,
62,512
62,516,
62,597-99,
62,604,
62,533.

5. SUMMARY.

71. In the preceding paragraphs of this chapter, we have briefly reviewed the evidence put before us as to the distribution and effects of agricultural depression. It is clear that the depression has not equally affected all parts of Great Britain. In arable counties, where its presence is most manifest, it has entailed very heavy losses on occupiers and owners of land, in some districts considerable areas have ceased to be cultivated, and there has been a great withdrawal of land from the plough. These features of the crisis have been particularly marked on the strong clays and on some very light soils. Broadly speaking, it may be concluded that the heavier the soil, and the greater the proportion of arable land, the more severe has been the depression.

72. In England the situation is undoubtedly a grave one in the eastern, and in parts of some of the southern, counties. In the arable section of Scotland the position is in some respects not so serious; but there, also, great losses have been experienced during the past 12 years. In the pastoral counties of Great Britain the depression is of a milder character, but in most of them the depreciation of the value of live stock between 1886 and 1893, and the persistent fall in the price of wool, have largely diminished farming profits and rents. In districts suitable for dairying, market gardening, and poultry rearing, and in the neighbourhood of mines, quarries, large manufacturing centres, and towns, where there is a considerable demand for farm produce, there has been relatively less depression.

73. One prominent feature of the depression has been the great contraction of the area of land under the plough in all parts of the country. Its effects upon the distribution of the cultivated surface in Great Britain between 1875 and 1895 may be seen in the following statement extracted from the Agricultural Returns:—

Year.	Arable.	Pasture.	Total.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>
1875 - -	18,104,000	13,312,000	31,416,000
1880 - -	17,675,000	14,427,000	32,102,000
1885 - -	17,202,000	15,342,000	32,544,000
1890 - -	16,751,000	16,017,000	32,768,000
1895 - -	15,967,000	16,611,000	32,578,000

Commenting upon the important change in the agriculture of the country illustrated by these figures, Major Craigie remarks that the actual loss of arable area in the interval covered by the last two decades, which may be said to embrace the period of depression, is 2,137,000 acres, and that the diminution of the wheat acreage alone accounts for more than 1,900,000 acres of this loss.

Agricultural
Returns,
1895.

74. We have stated above that the difficulties of graziers and sheep farmers in many parts of Great Britain were much aggravated by the disastrous effects of the drought of

1893, and in this connexion it may be interesting to show here the changes in the numbers of cattle and sheep during the past five years.

—				Cattle.	Sheep.
				No.	No.
1891	-	-	-	6,853,000	28,733,000
1892	-	-	-	6,945,000	28,735,000
1893	-	-	-	6,701,000	27,280,000
1894	-	-	-	6,347,000	25,861,000
1895	-	-	-	6,354,000	25,792,000

(a.) EFFECTS OF THE DEPRESSION ON OWNERS OF LAND.

75. Upon this class the most apparent and indisputable effect of depression is the decrease in the rental value of land, which has, we find, been almost universal, though varying considerably in its proportions, in different parts of the country.

38th Report
of Commis-
sioners of
Inland
Revenue.

76. Evidence of the existence of depression, and of its severity in certain parts of the country, is to be found in the reductions of the rent-rolls of landowners, and in the fall in the capital value of agricultural land. Taking the statements given in the reports of the Commissioners of Inland Revenue showing the gross annual value of lands (including tithes) under Schedule A., the change which has taken place since 1879-80 is as follows:—

—	Gross Annual Value.		Decrease.	
	1879-80.	1893-94.	Amount.	Per Cent.
	£	£	£	
England - - -	48,533,340	36,999,846	11,533,494	23·7
Wales - - -	3,265,610	3,065,985	199,625	6·1
England and Wales - - -	51,798,950	40,065,831	11,733,119	22·7
Scotland - - -	7,769,303	6,251,898	1,517,405	19·5
Great Britain - - -	59,568,253	46,317,729	13,250,524	22·2

Robinson,
45,575-83.

In connexion with the above statement we may repeat the observations contained in the Memorandum attached to the diagram map published in December last, showing the decrease or increase in the gross annual value of "lands" under Schedule A., in each county of England and Wales in 1894, as compared with 1879, viz.:—

C.—8300 of
1896.

1. "In these valuations. 'lands' include not only agricultural lands, but ornamental grounds, gardens attached to houses when exceeding one acre in extent, tithe rentcharge, and other properties (including farmhouses and buildings) enumerated by Sir Henry Fowler in the 45th paragraph of his Local Taxation Report (Session 1893), No. 168.

2. "These assessments are not absolutely up to date. With falling values they indicate something more than the true value at the moment.

3. "They do not take into account temporary abatements of rents.

4. "In Wales the assessments in former years were not approximated as closely to the rentals as in England, the result being that the fall has not been apparently so pronounced."

For these reasons, the figures are far from indicating the full extent of the decline in the rental value of purely agricultural land.

77. Some of the properties included in the definition of "lands" in the income tax assessments, *e.g.*, ornamental grounds and gardens attached to houses, probably as a general rule have not been falling, but have been rising in value of late years, while others have not been falling to the same extent as purely agricultural lands. As we are unable to separate the value of purely agricultural lands from that of the other properties included in the definition of "lands" in the income tax assessments, we are unable to state precisely the full extent of the fall which has taken place in the annual value of agricultural lands. But the Agricultural Rates Act, 1896, has now required every valuation list and county rate basis to state the value of agricultural land separately from that of other properties, and consequently it will, for the future, be possible to estimate, more accurately than has hitherto been practicable, the changes in the annual value of those lands. The Local Government Board have furnished us with

the result of the returns made to them under that Act, which show that the rateable value of the agricultural land in England and Wales, on the 22nd of July 1896, amounted only to 24,563,000*l.*, whereas, according to the above table, the gross annual value of "lands," according to the income tax assessments of 1893-4, was upwards of 40,000,000*l.* The rateable value of purely agricultural land according to the valuation lists in 1896 was, therefore, only 61 per cent. of the gross annual value of "lands" according to the income tax assessments of 1893.

78. If the capital value of lands at the two periods named be compared even on the basis of the income tax assessments it will be seen that the loss has been very great. This has been due not only to the fall in annual value but to the fact that the confidence of the public in agricultural land as a security for investments has been so much shaken that it does not now command anything like the same number of years' purchase that it did some years ago.

79. Sir Alfred Milner, who has put some calculations before us bearing on this subject, is of opinion that the capital value of land, as compared with other forms of property, has been enormously altered within the last 20 or 30 years. He estimates that in 1894 it was equivalent to 18 years' purchase on the gross annual value assessed to Schedule A. Sir Robert Giffen has calculated that in the year 1875 it was equivalent to 30 years' purchase on the assessments to the same schedule.

Milner, 63,420. Journal of Statistical Society, Vol. XLI, 1878.

The calculations of these authorities relating to the United Kingdom are compared in the following table:—

Date.	Annual Value, "Lands," Schedule A. Income Tax.	No. of Years' Purchase.	Capital Value.	Decrease per Cent. since 1875.
1875 - -	£ 66,911,000	30	£ 2,007,330,000	—
1894 - -	56,212,734	18	1,001,829,212	49·6

These calculations show a decline of nearly 1,000 millions in the capital value of land in the United Kingdom.

Were we to adopt these methods of calculation, a comparison of the capital value of lands in Great Britain only in 1875 and 1895 would show the following results:—

Date.	Annual Value of "Lands," Schedule A. Income Tax.	No. of Years' Purchase.	Capital Value.	Decrease since 1875.	
				Amount.	Per Cent.
1875 - -	£ 55,618,428	30	£ 1,668,552,840	—	—
1894 - -	46,317,729	18	833,719,122	834,833,718	50·

These figures show a decline of nearly 834,000,000*l.*, or 50 per cent. in the capital value.

80. As regards the changes in rents, the evidence we have discussed in the earlier paragraphs of this chapter shows that in the most depressed parts of England rents have been reduced, on the average, by 50 per cent., while on very poor soils in some of the eastern and southern counties, no rents can be obtained, and farms have been thrown on the owners' hands. Moreover, landlords have incurred increased expenditure on repairs, drainage, and buildings, and since 1892 they have paid the tithe, frequently without any adjustment of rental. In many instances, where landlords have been called upon to undertake improvements of this kind, it may be confidently held that the present rent does not represent more than the interest on capital expended. In the less depressed parts of England, the fall in rents has, as a rule, ranged from 20 to 30 per cent., and in some dairying and grazing districts, and in localities possessing special advantages of situation, it has not been more than 15 per cent. In the eastern and south-eastern counties of Scotland, the reductions of rent have been almost as great as in the more distressed parts of England, but in the south-western counties they have amounted to 10 and 15 per cent. From Wales we have had evidence of reductions from 20 to 30 per cent. on arable land in the north; but with these exceptions, there

have been few permanent reductions in the Principality; although remissions and abatements from 10 to 20 per cent. have been more general.

81. It is frequently asserted, and perhaps commonly believed, that until recent years there has been a great and progressive increase in the rental of agricultural land, and that the fall which has occurred in the last 20 years has only cut off a part of an unearned increment. Some official returns which have been laid before us, and evidence which we have received, may be examined with a view to ascertain approximately what has been the relative value of agricultural land at different periods during the last 50 to 60 years.

82. It is necessary to point out that the income tax assessments, which are the only data upon which to found a summary estimate, do not deal with the same quantities at different periods. On the one hand there has been a considerable absorption of agricultural land by the growth of towns and the extension of railways, mines, factories, &c. On the other hand, enclosure and reclamation of waste lands has been carried on, and the Agricultural Returns show that there has been ever since they were first collected a continuous increase in the cultivated area.

Giffen,
18,163.

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App. A. VI.
Table XIII.

83. Sir Robert Giffen laid before us, in support of his evidence, a return from the Inland Revenue Department, which he said "was obtained specially to compare the rental of England as it was just after the tithe settlement of 1836, or as soon as we could get a figure for it, and the rental of England at the time the return was obtained, that was about 1888-89." He added, "I thought, with reference to some evidence which has been put before the Commission that it would be very interesting to give the facts which appear in this return. I refer to the evidence of some witnesses, which was to the effect that in spite of large expenditure upon their agricultural properties during the last 40 or 50 years, the rent they are receiving at the present time is no more than the rent they were receiving at the time when they began. I put in Table XIII., a summary of this return, which shows that while Schedule B. in 1842-3 gave a total assessment of 42,127,000*l.* the amount in 1888-89 was 42,342,000, showing substantially no increase of rental in 50 years, notwithstanding the large capital expenditure in the interval. I think these figures quite confirm the evidence which has been given us by some of the witnesses."

18,168-70.

13,528.

84. The witness subsequently pointed out that the assessments for the income tax under Schedule B. include a good deal of "occupation land, or land which is connected with villas and things of that kind," and that consequently the return does not show with any certitude "the true effect upon agricultural land exclusively," and he expressed the opinion that "for a good many years the tendency of the income tax people has been to draw the reins a little tighter, if possible, and the effect of that upon the two years 1842-43 and 1888-89 would be that in 1842-43, probably the figures that you have are much more under the mark for the time than the figures you have got now, and that the effect would be that the change in rent between 1842-43 and the present time has been greater than this return shows."

85. It may be fairly assumed from this evidence that, in the opinion of our eminent colleague, the present rental value of agricultural land is appreciably less than it was 50 years ago, notwithstanding the continuous expenditure of capital on the equipment and improvement of farms and the reclamation of land.

86. Mr. F. L. Robinson, Deputy Chairman of the Board of Inland Revenue, gave us some similar returns to those handed in by Sir Robert Giffen, and the summary results of the whole series is shown by the following tables. It will be observed that the figures are not strictly comparable, since those of Mr. Robinson's returns relate to lands exclusive of nurseries and market gardens, while those supplied by Sir Robert Giffen include these descriptions of land.

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Table XIII.

INCOME TAX.—GROSS ASSESSMENTS of LANDS under Schedule B., from Tables handed in by Sir Robert Giffen.

Year.	ENGLAND.	WALES.	ENGLAND AND WALES.
1842-43	£ 39,589,471	£ 2,538,425	£ 42,127,896
1888-89	39,238,742	3,103,353	42,342,095
Increase (+) or Decrease (—)	— 350,729	+ 564,928	+ 214,199
			+ 0.5 per cent.

INCOME TAX.—GROSS ASSESSMENTS under Schedule B. of LANDS exclusive of Nurseries and Market Gardens, from Tables handed in by Mr. F. L. Robinson.

Year.		ENGLAND.	WALES.	ENGLAND AND WALES.	SCOTLAND.	GREAT BRITAIN.
		£	£	£	£	£
1872-73	- -	45,964,190	2,871,636	48,835,826	7,351,407	56,187,233
1879-80	- -	48,142,160	3,270,961	51,413,121	7,758,726	59,171,847
1888-89	- -	38,917,903	3,130,529	42,048,432	6,530,470	48,578,902
1893-94	- -	36,597,700	3,073,133	39,670,833	6,246,450	45,917,283
Ratio of the Amount of Assessments at subsequent Periods to that of 1872-73=100.						
1872-73	- -	100·	100·	100·	100·	100·
1879-80	- -	104·7	113·9	105·3	105·5	105·3
1888-89	- -	84·7	109·	86·1	88·8	86·5
1893-94	- -	79·6	107·	81·2	85·0	81·7

The former table shows for England and Wales a slight increase (0·5) per cent. between 1842-3 and 1888-9.

The latter table shows a decrease of 18·3 per cent. over the whole of Great Britain since 1872-3, while if 1879-80, when the assessment reached its highest point, be taken for comparison, there has been a still greater decrease, amounting on the whole of Great Britain to 22·4 per cent.

Decrease between 1879-80 and 1893-4.

		England.	Wales.	England and Wales.	Scotland.	Great Britain.
		£	£	£	£	£
Amount	- -	11,544,460	197,828	11,742,288	1,512,276	13,254,564
Per cent.	- -	24·0	6·0	22·8	19·5	22·4

In the following table the gross annual value of land (including taxes) assessed to income tax under Schedule A. is given for six different periods from a statement laid before us by Mr. F. L. Robinson:—

TABLE showing the TOTAL GROSS ASSESSMENT on LANDS (including TITHES) under Schedule A. in ENGLAND, WALES, and SCOTLAND in the Years ended 5th April 1843, 1853, 1863, 1873, 1883, 1894, with the Increase (+) or Decrease (—) per cent. at each period as compared with the amount in 1842-3:—

Year.	England.		Wales.		England and Wales.		Scotland.		Great Britain.	
	Amount.	In-crease or De-crease Per Cent.	Amount.	In-crease or De-crease Per Cent.	Amount.	In-crease or De-crease Per Cent.	Amount.	In-crease or De-crease Per Cent.	Amount.	In-crease or De-crease Per Cent.
1842-3	£ 37,795,904	—	£ 2,371,184	—	£ 40,167,088	—	£ 5,586,528	—	£ 45,753,616	—
1852-3	38,587,301	+ 2·1	2,406,070	+ 5·	41,083,371	+ 2·3	5,409,404	— 1·6	46,582,775	+ 1·9
1862-3	41,962,568	+11·0	2,648,713	+11·7	44,611,281	+11·1	6,715,341	+20·2	51,326,622	+12·2
1872-3	46,137,471	+22·1	2,871,986	+21·1	49,009,457	+22·1	7,363,235	+31·8	56,372,692	+23·2
1882-3	45,151,433	+19·5	3,251,482	+37·1	48,402,915	+20·5	7,573,251	+25·6	55,976,166	+22·3
1893-4	36,906,068	— 2·1	3,065,985	+29·3	40,062,053	— 0·3	6,251,898	+11·9	46,313,951	+ 1·2

In this table the maximum point is reached in England in 1872-3 and in Wales and Scotland in 1882-3. The decrease in the amount for the whole of Great Britain since 1872-3 was 10,058,741l., or 17·7 per cent.; as compared with the assessment for

1842-3, that of 1893-4 shows a fall of 2·1 per cent. in England, an increase of 29·3 per cent. in Wales, and of 11·9 per cent. in Scotland.

13th Rep.
Inland
Revenue
Department.

87. But it should be pointed out that in 1842-3, tithes uncommuted were not included in lands and tithes; and at that time these uncommuted tithes amounted to 1,964,000*l.* A considerable part of these tithes having been commuted, the value is included in the assessment of lands. The amount still uncommuted is not known. Since 1893-4 it has not been separately distinguished. In that year it amounted to 50,115*l.*, and it is probable that the value has been further diminished since that date.

38th Rep.
Inland
Revenue
Department.

88. The Report of the Inland Revenue Commissioners for 1895 gives the value of tithes not arising from lands as 268,946*l.*

In order to institute a fair comparison between the gross assessment of lands in 1842-3 with that in 1893-4 it will be necessary to add to the former 1,964,000*l.*, with the result that, taking England and Wales together, there was a decrease of 1,800,000*l.*, or at the rate of $4\frac{3}{4}$ per cent.

Suffolk Rep.,
par. 66.

89. Mr. Wilson Fox, in his reports on Lincolnshire and Suffolk, gives particulars of the average rental per acre on certain estates at different periods. In every one of these cases the rental at the latest date is below that of the earliest period given.

The Marquis of Bristol's estates in Suffolk, let for 9*s.* 6*d.* an acre in 1775, the tithe being taken in kind. In 1894 the rent was 13*s.* 6*d.* an acre, and out of this the landlord paid 4*s.* 6*d.* tithe rentcharge, the rent being thus reduced to 9*s.* an acre.

Mr. Scrivener's estate in the same county let at 23*s.* 9*d.* an acre in 1814, when the tithe, being taken in kind, fell upon the tenant. The rent is now 12*s.* 7*d.*, the tithe (amount not stated) being paid out of that sum.

Mr. Brooke has a property in Suffolk which brought in 27*s.* an acre in 1845, and it now makes only 14*s.* 3*d.* gross rent.

Lincoln,
par. 79.

Earl Brownlow's estates in Lincolnshire made 26*s.* an acre in 1835 and 22*s.* 2*d.* in 1893.

Mr. E. Turnor's estates in the same county made 21*s.* 3*d.* in 1840 and 19*s.* 2*d.* in 1893, and the Marquis of Bristol's property in Lincolnshire stood at 27*s.* in 1850 (a period of considerable depression), and in 1894 the rental was 19*s.* 6*d.*

90. It clearly appears from the foregoing statements that the gross rental of lands is not higher now than it was 50 years ago.

91. But any statement as to the diminution of the rental of land fails to express in an adequate degree the extent of the landowner's losses.* In many cases where rents have been re-adjusted, and much reduced, further remissions of rent have been found necessary; gifts of feeding stuffs and manures have been made,† arrears of rent have accumulated,‡ and not unfrequently these have eventually been written off. Farms have been thrown on the owners' hands in an impoverished condition, and it has been found impossible to let them.§ The outgoings for tithe rentcharge and taxes, with the cost of necessary repairs, have not diminished in proportion to the rent, while the demands of the tenants for additional buildings and drainage and other improvements have increased. It is clear, then, that the net income of the landowner has fallen off to a far greater extent than is shown by a comparison of the gross rental now and at a former period.

92. We have previously referred to some estate accounts which have been supplied to us, and these are published in a separate volume. These accounts refer to 46 different estates.

C.-8125 of
1896.

The following summary shows the proportion of actual rent which is absorbed by outgoings:—

* Rew, Dorset, par. 24; Rew, Salisbury, App. C., IV.; Sir M. H. Beach, 6042; Adams, 42,065; Spencer, Oxford, par. 48; Gillespie, 50,795; Britten, 56,448; Sir M. Lopes, 17,012; Ingram, 3514; Fream, Andover, par. 13.

† Wilson Fox, Glendale, par. 18; Wilson Fox, Lanc., par. 27; Pringle, Yorks, par. 19; Hope, Perth, &c., par. 7.

‡ Spencer, Gloucester, par. 74; Pringle, Essex, par. 123; Pringle, Axholme, par. 32; Pringle, Beds, App. B., IV.; Fream, Maidstone, par. 13; Speir, par. 13, 46,467; Watson, 2081; Turner, 14,286, 14,532; Rayn-bird, 6200; Wilson Fox, Cambs, par. 47; Worthington, 12,907; Martin, 3981; Pringle, Durham, par. 35; Gibb, 55,390; Huskinson, 825.

§ Huskinson, 756; Lushington, 1650; Squarey, 7566; Vol. I., App. A., XXIV.; Raynbird, 6243; Strutt, 13,804; Turner, 14,802; Hale, 84,591; Richmond, Duke of, 22,547; Spencer, 46,416; Finn, 56,651; Wilson Fox, Lincoln, par. 89; Wilson Fox, Suffolk, par. 70; Wilson Fox, Cambs, par. 48; Fream, Andover, par. 12; Rew, Norfolk, par. 35; Rew, Wilts, 32; Spencer, Herts, 55.

SUMMARY of 46 ESTATE ACCOUNTS* furnished to the Commission, showing for the Year 1892 the total amount of agreed Rental, the Rent received, the Outgoings, the Net Income derived from the Estate, and the Expenditure upon Permanent Improvements.

	England.		Scotland.		Great Britain.	
	£	Per cent.	£	Per cent.	£	Per cent.
1. Agreed rental - - - -	595,955	—	344,623	—	940,578	—
2. Rent actually received (not deducting income tax).	540,082	—	313,440	—	853,522	—
3. Ratio of rent received (2) to agreed rental (1).	—	90·6	—	90·9	—	90·7
4. Expenditure and outgoings† - -	236,017	—	99,046	—	335,063	—
5. Ratio of expenditure (4) to rent received (2)	—	43·7	—	31·6	—	39·3
6. Net rent - - - -	304,072	—	214,395	—	518,467	—
7. Ratio of net rent (6) to agreed rent (1)	—	51·0	—	62·2	—	55·1
8. Additional expenditure on permanent improvements.	69,478	—	37,762	—	107,280	—
9. Ratio of additional expenditure (8) to net rent (6).	—	22·8	—	17·6	—	20·7

93. It will be seen from this table that over the whole area covered by these returns nearly 40 per cent. of the rent actually received is disbursed in outgoings, including public charges and the expenditure necessary for the upkeep of the property without taking into account the capital expenditure upon improvements, which amounts on the average of the 30 estates in England and Wales to one fifth of the net income received by the landowner.

It should, however, be mentioned that some of the accounts submitted, and now referred to, fail to distinguish between extraordinary expenditure on permanent improvements and that on ordinary repairs and outgoings.

94. In order to ascertain the results of an examination of all those accounts which appear to have been made out upon the same principle the following table has been prepared:—

TABLE showing the GROSS and NET RECEIPTS and the CAPITAL EXPENDITURE upon PERMANENT IMPROVEMENTS in the year 1892, and also in the 7 years 1886 to 1892 on 34 Estates.

	1892.				1886-1892.			
	England and Wales.		Scotland.		England and Wales.		Scotland.	
	Amount.	Per Cent.	Amount.	Per Cent.	Amount.	Per Cent. (Average for 7 years.)	Amount.	Per Cent. (Average for 7 years.)
1. Rent actually received, not deducting income tax.	£ 348,424	—	£ 274,738	—	£ 2,516,820	—	£ 1,961,515	—
2. Net income from property after payment of outgoings.	177,652	—	189,190	—	1,311,423	—	1,381,496	—
3. Ratio of net income to rent received -	—	51·0	—	69·0	—	60·8	—	70·4
4. Capital expenditure on permanent improvements.	63,451	—	37,708	—	392,871	—	251,858	—
5. Ratio of expenditure on improvements to—								
(a) Rent received - - - -	—	18·2	—	13·6	—	15·6	—	12·8
(b) Net income - - - -	—	35·7	—	19·9	—	30·0	—	18·2

* Of these 46 estates, 30 are in England and Wales and 16 are in Scotland. They include lands lying in 25 counties in England and Wales, and in 16 counties in Scotland.

The area of 29 of the English estates is 505,176; that of one estate is not given. The area of 13 of the Scotch estates is 305,702 acres; that of three estates with a rental of 106,462*l.* is not given.

† This includes tithe rent charge paid by owner; land tax; local rates paid by owner; drainage or embankment rates, &c. paid by owner, repairs, fences, and insurance; expenses of management; and miscellaneous outgoings.

This table shows that on the average on the 19 estates in England which are referred to the net income of the owner was in 1892 only 51 per cent. of the rent received, while in Scotland it was 69 per cent. The capital expenditure (not included in those outgoings which have reduced the rent to the amount of the net income) equals 18·2 per cent. in England, and 13·6 per cent. in Scotland on the rent received; but as compared with the net income it was 35·7 per cent. in England and 19·9 per cent. in Scotland.

95. It may be urged that the capital expenditure on estates is an investment made with a view to an increase of rental, or to the maintenance of existing rents; and, no doubt, if it were occasional expenditure recurring only at long intervals, the argument would have some force; but wherever such expenditure recurs frequently and with tolerable regularity it becomes an annual outgoing, though varying somewhat in amount, necessary to keep the estate properly equipped for occupation.

96. With the object of ascertaining whether the expenditure of 1892 was exceptional, particulars of the rent and expenditure for the seven years 1886-92 are given in the foregoing table, from which it will appear that the expenditure of 1892 was on the whole number of estates about 10 per cent. in excess of the seven years' average, and as the rent had decreased it was in ratio to the income received a sensibly larger outlay.

97. If we take, then, the average of these seven years, we find from these accounts, which include estates in some of the most favoured parts of the country, that for every 100*l.* received during the seven years 1886-92 by the owners in England and Wales 39*l.* 4*s.* was absorbed by ordinary outgoings and an additional sum of 15*l.* 12*s.* was spent upon improvements, leaving the owner 45*l.* 4*s.* out of 100*l.* In Scotland 29*l.* 12*s.* was spent in ordinary outgoings and 12*l.* 16*s.* in improvements; the owner pocketing 57*l.* 12*s.*

98. It must be remembered that the series of accounts referred to are most of them received from the owners of large and well-managed estates, where a large outlay has been made for many years, and that these estates are distributed all over the country, and not confined to the depressed districts; and that the summary statement only shows the average results on these estates. It must not, therefore, be taken as indicating the position of owners where the fall in the value of land has been greatest.

99. It is clear from the evidence which these estate accounts and other sources of information afford, that a considerable portion of the rental received by owners at the present time is merely a return for capital expended in equipping and furnishing the estate, and not rent for the land itself.

100. Mr. J. S. Mill draws a clear distinction between rent which is payment for the original powers of the land, and that part of rent which is a consideration for the use of the buildings, fences, &c. There can be little doubt that, measured by the standard which is laid down in the following passage, over a very considerable part of this country true rent has entirely vanished, since the owners are not receiving the ordinary interest upon the sum which it would cost to erect buildings, fences, &c., as good as those now existing.

Mill,
Political
Economy,
Book II.,
cxvi., s. 5.

“Under the name of rent many payments are commonly included, which are not a remuneration for the original powers of the land itself, but for capital expended on it. The additional rent which land yields in consequence of this outlay of capital should, in the opinion of some writers, be regarded as *profit*, not *rent*. The annual payment by a tenant almost always includes a consideration for the use of the buildings on a farm . . . not to speak of fences and the like. The landlord will ask, and the tenant will give for these whatever is sufficient to yield the ordinary profit, or rather the ordinary interest on the value, . . . i.e., not on what it cost to erect them, but on what it would cost to erect others as good; the tenant being bound in addition to leave them in as good repair as he found them. . . . These buildings are as distinct a thing from the farm as the stock or the timber on it, . . . and what is paid for them can no more be called rent of land than a payment for cattle would be if it were the custom that the landlord should stock the farm for the tenant.”

101. We have received from witnesses and from our Assistant-Commissioners much additional information as to the greater pressure of necessary outgoings upon a diminished rental.

Mr. Wilson Fox reports of an estate in Lincolnshire :—

“The figures show a decrease in the gross rental of 45·7 per cent. (1878–1894), and in the net rental of 59 per cent., and that the outgoings in the first period represented 29 per cent. of the gross rental, and in the latter 46·5 per cent.”

Mr. Hunter Pringle, in his report on Yorkshire, says :—

“The landlord’s outgoings on estates in this district amount to from 40 to 63 per cent. of the gross income, and have considerably increased of late years.”

Mr. Rew, in his report on Norfolk, gives an account of an estate on which the rental and outgoings at three different periods were as follows :—

Wilson Fox,
Rep. Lin-
coln, par. 85.
Suffolk, par.
60.
Cambridge,
par. 51.
Hunter
Pringle, Rep.
Yorks, par.
51.
Rew, Rep.
Norfolk,
par. 38.

	1875.	1885.	1894.
Rental - - - -	£ 4,139	£ 2,725	£ 1,796
Outgoings - - - -	1,122	1,166	1,216
Percentage of rent absorbed by outgoings.	27·1	42·8	67·7
Net receipts - - -	3,017	1,559	580

It will be seen that between the first and the latest period the rents fell from 4,139l. to 1,796l., or nearly 57 per cent.; the outgoings, however, increased by over 8 per cent., and the net receipts decreased from 3,017l. to 580l., or more than 80 per cent.

Mr. Hall, a landowner from Cambridgeshire, gave us an account of receipts and outgoings on his estate in that county, which showed that while the nominal rental decreased between 1883 and 1892 by about 30 per cent., the net income decreased by nearly 70 per cent.

Hall, 34,473.

Mr. Wilson Fox, in his Lincolnshire, Suffolk, and Cambridgeshire reports, gives instances showing the larger proportion of rent which is now absorbed by outgoings.

Wilson Fox,
Lincoln,
par. 55.
Suffolk,
par. 68–9.
Cambs,
par. 51.

102. It is obvious that anything in the nature of a fixed or permanent charge becomes more onerous as the sum out of which it is paid diminishes in amount. While some of the outgoings which landlords have to bear, such as tithe rentcharge and land tax, are capable of some readjustment, they have not generally been reduced in proportion to the net value of the land; but charges for drainage and repairs are not reduced however much rent may fall.

103. Leaving out of sight family charges and mortgage interest which press heavily upon so many owners of landed estates, there are very heavy out-goings which cannot be reduced in proportion to the fall in rents.

104. Although the evidence which we have received and the reports of our Assistant-Commissioners supply abundant evidence of the pressure of bad times upon all classes of owners, we are unable to determine whether large or small owners of lands which are let have suffered most. It is clear that the relative pecuniary position of an owner of agricultural land will depend, whatever may be the quantity possessed, (1) upon whether he has or has not other resources of income or of capital which can be applied to the execution of necessary improvements, and (2) upon the existence or absence of charges upon the estate, either in the form of mortgage or family charges. The disastrous effect of fixed charges based upon a rental largely in excess of that which is now received has been pointed out with great force by Mr. James Hope, one of our Assistant-Commissioners.

Hope, Rep.
Roxburgh,
par. 52.

The position of occupying owners will be considered with that of other farmers in the next section of the report.

(b.) EFFECTS OF THE DEPRESSION UPON THE OCCUPIERS OF LAND.

1. *Tenant Farmers.*

105. We shall next proceed to inquire as to the extent to which those who are actively engaged in the cultivation of the soil have been affected by the depression.

In dealing with the subject of the distribution of depression, we have adduced evidence to show that in nearly every part of Great Britain there are complaints of serious losses continued for a long period; and it is said that unfavourable seasons with diminished production and low prices of produce have largely decreased the amount returned by the ~~land~~ ^{farmer}. That amount is divisible amongst different classes of agriculturists after certain necessary expenses have been provided for. It is obvious

that the occupier will have a difficulty in adjusting his expenditure at once in order to meet the diminished returns, and, therefore, it is he who has to bear the brunt of adverse times, and, for a time at least, the greater share of the loss.

Pringle,
Essex Rep.,
par. 42-47.
Fox, Cambs.
Rep.,
par. 53.
Lincolnshire
Rep.,
par. 96.
Huskinson,
945.
Cocks, 1826.

106. For several years landlords very generally endeavoured to meet what they hoped was only a temporary emergency by making remissions of rent; but eventually most of them, particularly those in the eastern, midland, and southern counties of England, became convinced that a complete revision of rents was necessary, and a readjustment has very generally been effected. Unfortunately the fall in prices has been continuous, and a rent which might be fair and reasonable at the time when it was fixed may again have become an extreme rent very soon after a readjustment had been made. In fact a large number of tenant farmers have stated that rents are still too high, and in many cases are paid more or less out of capital.

107. It is evident that the experience of the past 13 or 14 years must have been a strain on the resources of the occupiers of land throughout the country owing to the depreciation in the value of farm stock, and the diminution of profits arising mainly from the fall in prices. In the eastern, and some of the southern, counties of England, particularly in Essex, Suffolk, Norfolk, Cambridgeshire, Lincolnshire, Wiltshire, and Hampshire, the position of tenant farmers must, with few exceptions, be described as a critical one. Notwithstanding material reductions of rent, numbers in these counties have had to give up their farms owing to loss of capital or their inability to make a living at present prices, while most of those who remain have sustained heavy losses of capital, and are financially in a precarious condition. In the arable districts of Scotland, tenant farmers have also suffered from losses of capital and diminished profits, but there is a demand for farms at the reduced rents, and the mixed system of farming has enabled men to hold on in spite of the fall in prices. In pastoral counties graziers suffered considerably from the depreciation in the value of stock between 1886 and 1893, and, in the south-western and west-midland counties of England the drought of the latter year aggravated their difficulties. Sheep breeders on down land and in hill districts also incurred heavy losses during this period, while the fall in the price of wool has largely reduced the profits of this branch of farming. There has been, however, an improvement in the prospects of stock breeders and graziers during the past two years, 1894-95, and while the losses of farmers in grazing districts were undoubtedly serious in some years prior to 1893, their position has been on the whole one of far less difficulty than that of occupiers of arable land. In the pastoral districts of south-west Scotland and in Wales there is great competition for farms. Occupiers of dairy farms, fruit farms, and market-gardens in proximity to good markets have done better than other classes of farmers, and reductions or remissions of rent have enabled them, in some instances, to continue their business without loss.

108. While there are a few witnesses who are of opinion that under present conditions tenants can hire farms on such terms, and stock them with such a moderate outlay of capital, as to start with a reasonable chance of success, it has been stated universally that in the past large numbers of farmers have been crippled, if not ruined, by serious losses, and that too many of them have, in consequence, insufficient capital for the management of their farms, while not infrequently they are heavily indebted to the landlords, manure merchants, seedsmen, and other traders.

C.-8125 of
1896.

109. The farm accounts, which our Assistant-Commissioners have received, and which are published with the estate accounts in a separate volume, support the conclusions which may be formed from the evidence already cited. A memorandum, which is appended to this Report (*see* Appendix III.), contains the result of a minute examination of these accounts. It should be borne in mind that, *primâ facie*, accounts of this character are presented by men of exceptional business capacity, and fairly sound position; and that they, therefore, represent conditions more favourable than the average.

110. Taking the whole of these accounts as one for each separate year, it appears that the average profit over the 20 years was about a quarter of the rent (26·66 per cent.). In six years out of the 20 there was an absolute loss, and in six more there was a very inadequate profit, but individual accounts show much more unfavourable results.

111. Treating the whole of the published accounts as if they related to one business, it has been calculated that they show for the 20 years 1875-1894 an average profit equal to 26·66 per cent. of the amount of rent and tithes, instead of 43·75 per cent., the

old basis of estimation for purposes of income tax. If this be only approximately correct, it follows that the farmers, whose accounts have been furnished, have for 20 years past received on an average only 60 per cent. of the sum which was in past days considered an ordinary and average profit.

112. We have endeavoured throughout our inquiries to ascertain whether there is any marked difference in the effect of depression on different classes of farmers carrying on their business under similar conditions, as regards soil, climate, and situation. The evidence on this subject is extremely conflicting; we will examine it, dealing first of all with the occupying owners, not including landowners who have had to take land into their own hands. Class of farmers.

2. Occupying Owners.

113. These owners may be divided into two classes:—

- (a.) Yeomen who farm considerable farms; and
- (b.) Small freeholders.

Occupying owners.

As regards the former class it is generally agreed that they have suffered at least as much as any other class connected with agriculture.

It would appear that, as a rule, these properties, whether inherited or purchased by the present proprietors, are charged with mortgages, and the mortgagee makes no remission of the interest due to him. In consequence of the shrinkage in the value of land, the interest on the mortgage has become in many cases a burden, which the owner has been unable to bear, and frequently where the yeoman farmer has succeeded in paying the interest due from him, it has been a heavier rent than he would have paid to a landlord. Upon this subject Mr. C. S. Read's evidence was as follows:—

"We have had a good many yeomen in the county of Norfolk, and I say that they are much the hardest hit of all. They have got to bear both the losses of the landlord and the losses of the tenant, and there have been the most disastrous failures. A good many of our farmers some 25 years ago were told that the best thing that they could do was to buy their farms and they did so. But they had not enough cash and they had to mortgage their farms. They have gone to the wall worse by far than the common tenant farmers. There are a good many of our old and most respected yeomen who have disappeared within the last few years. I feel confident that they will, almost all of them, go unless there is a change for the better"

Read,
16,009.

Mr. Everett, a member of the Commission, being asked if there were instances in Suffolk of men who had bought their farms in former days replied, "I am sorry to say there are a great many. We had a great many yeomen farmers, and in the intense competition for land in the good times, a great many men took that course of making themselves, as they thought, independent; they bought land and mortgaged it, and I should think three quarters of that class of men are now stripped of every penny they had."

Everett,
15,784.

Mr. Wilson Fox, in his report on the county of Lincoln, says:—

"The yeoman farmer, who in the good times bought a farm at double its value, is usually in a worse plight than a tenant, because a large portion of the purchase money was frequently left on mortgage, and the rate of interest paid now represents a considerably larger sum than the land would be worth to rent. Not unfrequently family money was put into such farms, being considered a remunerative and safe investment."

Yeomen.
Wilson Fox,
Lincoln,
par. 95.

"Many of such men have already sunk, overwhelmed by the burden of interest they had to pay. A number of this class were the first to go when the bad times began, and they were quickly followed by a large number of tenants between the years 1879 and 1883.

"But the position of these men is not only worse than tenants, because they have a higher rent in the shape of interest, but because to the land they have bought they are irrevocably bound, for they cannot sell it without going out as ruined men, and they cannot let it for a sufficient rent to pay the interest on their mortgages.

"A witness who rents some 2,000 acres and owns 800 acres in North Lincolnshire, bought his land in the seventies at 54l. an acre; as soon as he bought it he was offered 20,000l. for his bargain or an additional 25l. an acre He now could not find a purchaser, and says, 'I am worse off as an owner than as occupier.'"

Mr. Rew in his report on Salisbury Plain says:—

"Where land was bought partially, as in many cases it would be, with borrowed money the owning farmer has been, as a rule, worse off in the hands of the mortgagee than the tenant farmer in the hands of the landlord."

Rew, Rep.
Salisbury
Plain, par.
28.

The "statesmen" of Cumberland who are gradually disappearing are, it appears, weighed down by the same burden that presses upon yeomen and small freeholders elsewhere, namely mortgages.

Mr. Wilson Fox reports thus:—

Fox,
Cumberland,
par. 51.

"This class of men has been gradually diminishing in number for many years, and the position of some of them is now worse than that of tenants, owing chiefly to charges which they or their ancestors have put upon the land I am induced to think that, generally speaking, the statesmen are in a worse position than that of tenants, especially where the property has been in their families for generations and consequently subject to family charges.

"The Cumberland statesmen are therefore not in the position of so many of the freeholders of Lincolnshire who bought the land in the sixties and seventies, when the price of land was at its highest, leaving the larger portion of the purchase money on mortgage."

Mr. Wilson Fox gives some interesting figures [showing the gradual extinction of the statesmen in the parish of Abbey Quarter in the Wigton Union. From these it appears that between 1780 and 1812 the number decreased from 51 to 38. By 1837 the number had fallen to 30. In 1864 it was 21, and in 1894 only nine remained.

Small free-
holders.

114. Coming next to the small freeholders the evidence appears to be to the effect that they, like the yeomen farmers, suffer from the incumbrances which attach to their holdings.

The Isle of Axholme in Lincolnshire has frequently been represented by writers on agricultural economics as exhibiting the advantages of the ownership of land by small cultivators.

Mr. R. Hunter Pringle who has reported to us upon this district gives a very unfavourable account of the position of these small holders.

Pringle,
Rep., Ax-
holme, par.
49.

Classifying the sufferers from agricultural depression he says:—"The heavily burdened freeholder has suffered most. His position is very bad, in many cases hopeless."

Id., par. 25.

Referring to Mr. Druce's Report to the Richmond Commission, Mr. Pringle says:—

"Mr. Druce describes the small holders as deeply involved and seriously situated in his day, and from all that I have been told, Mr. Druce was absolutely correct in his opinion. Since the date of his report 13 years of agricultural depression and falling prices have elapsed. With respect to the present condition of those who at the period of Mr. Druce's visit were in a struggling position, I found that many have been ruined, some, however, remain."

Id., par. 21.

115. The circumstances under which land was acquired by the small freeholders at Axholme are thus described by Mr. Pringle:—

"About 20 years ago when the price of agricultural produce was high and trade of all sorts very brisk, the value of land went up by leaps and bounds. In a similar degree the desire of small freeholders to add to their possessions and extend their farming operations increased. A regular struggle for land ensued, and unreasonable prices were realised. The small farmers grew reckless and would have land, ~~cost~~ what it might. A person who had succeeded in saving 100*l.* would never hesitate about bidding 1,000*l.* for 10 acres of good land. So long as the deposit of 10 per cent. was paid down the balance was easily secured from solicitors or trustees."

Id., par. 17.

Mr. Pringle also points out that freeholders inheriting land very generally have encumbrances in respect of other members of the family.

Fox, Lin-
colnshire,
par. 109.

116. Mr. Wilson Fox gives a very similar report to the foregoing with regard to small holders in other parts of Lincolnshire. He says:—

"The small freeholders may be divided into two classes, those whose land is, and those whose land is not, mortgaged. The great majority of them belong to the former class, and are men who bought all or part of their holdings in better times, frequently leaving 60, 70, or 80 per cent. of the purchase money on mortgage, and in some instances the whole sum at interest varying between $4\frac{1}{2}$ and $5\frac{1}{2}$ per cent. and in some cases 6 per cent. Some, however, inherited their holdings with family charges upon them, or with payments to make to other members of the family which was then considered to represent a fair division of the property. . . . As a general rule such men started with barely sufficient capital, and calculated their prospects on the then prices ruling in the market. In better times previous to 1879, even when paying interest at the rate of 4*l.* or 5*l.* an acre, a number of them thrived and were able

to increase their occupations, but those who bought land about 1878 and who just started on their farms with no margin of capital found themselves face to face with steadily falling prices, with a series of wet seasons, with a rate of interest to pay representing a rent much higher than those who were renting similar land next door to them. . . . The possession of land to such men has been the ruin of hundreds in the past, and is a millstone round the necks of hundreds in the present. And if present prices continue many more are bound to sink. . . . Not the least regrettable reflection in this sad story is that most of these small owners are the flower of a class, the pick of the foremen and the labourers who excelled in the performance of their duties, who toiled and saved, and denied themselves for years to raise themselves."

"The following facts apply generally to the small freeholders in the districts I visited. Their houses are inferior to the average labourers' cottages in the county. Some of them are very bad. They all work marvellously hard and for far longer hours than labourers, while many of them say that they are not in such a good pecuniary position, that they do not live so well, and seldom eat fresh meat. . . . The sons and daughters of most are working simply for their food and their clothes."

"As an illustration of the difference between the rate of rent and interest, a man at Market Deeping owns 9 acres and rents 11 acres of similar land. For the former he pays interest at the rate of 90s. and 100s. an acre, and for the land he rents, he pays 45s. and 60s. an acre. This demonstrates the difference in the profits of the land lender and the money lender."

Fox, Lincolnshire, para. 126.

117. Lieut.-Colonel Hughes stated in evidence that there were a great many freeholders in Flintshire and Denbighshire having mostly small farms heavily encumbered :—

Hughes, 50,519-24.

"They bought them and mortgaged them up to 1876 or up to 1878, and then they got frightened. Men bought when they probably could not do more than pay the deposit. There was an immense deal bought then by men who, to my knowledge, had not the means of paying more than the deposit. Everyone in those days thought that farming was going ahead . . . then came the drop."

118. It would seem that very generally, occupying owners, whether yeomen or small freeholders, are weighted with a burden of debt, which places them in such times as have been recently experienced, in a worse position than the tenant farmer, and that they have suffered from the depression as much as any class.

3. Large and Small Farms.

119. We have next to consider whether the depression has most severely affected the farmers of large or small farms. Upon this point the evidence is conflicting.

Large or small farms.

120. It is assumed by some that, because the farms in some of the more depressed districts are generally large, that there is some connexion between large farms and depression, but this is not necessarily the case. The fact is that depression has most affected that class of farming which has in the past been most successfully carried on by men of large capital working upon large farms. The wolds of Yorkshire and Lincolnshire, the heaths and sands of Lincolnshire, Norfolk, and Suffolk, and the downs of the southern counties were brought into cultivation by large farmers and never could have been reclaimed or cultivated as small farms.

121. Again, the general experience at the present time, that it is easier to let a small farm than a large one, is thought to be an evidence of greater success on the part of small farmers, but this only proves that farmers have less command of money than formerly, and therefore they have to be content with smaller occupations.

Rolleston, 13,420.
Turnor, 14,374.
Punchard, 14,877.

122. We have, however, received a considerable amount of evidence in favour of the smaller farms.

Mr. Squarey, land agent, told us that in his experience "just as the area decreases so is the disposition to take farms increased, because there are more people who hope to get money out of land by farming in such cases, than are found for large farms. My experience is that these men do manage somehow or other to pay their rents, but they live extremely hard lives, and are economical to a degree," but Mr. Squarey expressed the opinion that farms of 400 or 500 acres were more economical to manage than smaller farms.

Squarey, 7238-42.

7310.

- Strutt, 13,907-9. Mr. Strutt said he found that, on the whole, the small farmers did better than the larger ones. He thought it was because they worked with their men and were able to do a good deal themselves.
- Lopes, 17,325. Sir Massey Lopes said he thought that tenants of about 50 acres had done better than those holding larger farms, but only where the man had a family and had not to employ labour.
- Wantage, 4402. Lord Wantage expressed a decided opinion that "small farms had been able to stand the brunt better than the big sheep farms." He said that small farms of 50 to 100 acres were readily taken up, and he had not noticed that the larger tenants had fallen back on smaller farms.
- Martin, 3980. Mr. Martin (Cambridgeshire) stated, that in the parish of Littleport there were 170 holdings between 10 and 50 acres; many of the holders were much behind with their rent. Up to recent times the small holders had not been more successful than the larger holders, but latterly he thought they had been.
- Rowlandson, 17,415. Mr. Rowlandson (Yorks) said, "In the case of some of the smaller farmers who work their own farms, and work on the land instead of having labourers, they do not apparently suffer so much as others; but if you look into the question you will find that the sons have not received wages, but simply a small allowance of pocket money and clothes, and I do not consider that many of those men are in as good a position as what I may call annual men."
- De Bock Porter, 479. Mr. De Bock Porter, representing the Ecclesiastical Commissioners, Mr. Bolden, for the Duchy of Lancaster, and Mr. Holzman, for the Duchy of Cornwall, speaking from their experience as receivers for very large estates, were of opinion that large farmers had suffered most.
123. On the other side of the question we find that Sir Nigel Kingscote's experience as Commissioner of Her Majesty's Woods and Forests was that farmers of 400 to 500 acres had weathered the storm best. Mr. Watson, land agent in Oxfordshire, said he thought that the small tenant on estates under his management had done worse than the larger ones. Mr. Herman Biddell, land agent, Suffolk, said that the larger farmers had stood the depression best—"the medium or small holders are the men that put their all into their farming business. . . . If they had all their capital invested in the farms they occupied, these men are mostly gone. They have had to come to a composition, or something of that kind." The small holders, those under 50 acres, have some other occupations, most of them are carriers or perhaps little pig dealers and poultry dealers, and do a little carting for other people. Some of them have kept going, but it has not been the land that has kept them going. They have had to keep their farms by what they have done outside their farming occupation.
- Read, 16347. Mr. C. S. Read said with regard to the *bonâ fide* small farmer in the arable districts: "I say that the only way in which he can possibly succeed is this, in doing the work of two agricultural labourers and living at the expense of one—that is the only chance that he has—and I say this, that as far as regards his family they are worse educated and harder worked than the children of the agricultural labourer."
124. Some other witnesses expressed the opinion that small farmers had suffered more than others. A much larger number, however, were of opinion that no difference could be established between different classes.
- The evidence of Mr. W. L. Huskinson, land agent, Notts, on this point was as follows: Being asked which are more prosperous, the large or the small occupiers of land? He replied, "I have given that subject a very great deal of consideration, and I read a paper before the Surveyors' Institution about it. There is no district or size of farms which one could say would be more prosperous than others, in certain cases large farms prosper and in others small ones."
- Mr. Hunter Pringle, in his report upon Yorks and Durham, remarks:—
- "Small farmers engaged in dairying or occupying suburban land have held their own so long as they work the place with unpaid family labour. But the moment the children go, and hired servants are employed, profit vanishes."
- Mr. Wilson Fox discusses the relative advantages of large and small farms in his reports on Lincolnshire and the Garstang district of Lancashire. He says of Lincolnshire:—
- "The big farmer has lost more because he had more to lose, but on the wolds, the cliff, and the heath, he has kept his land in a high state, and he would be able to reap the advantage of this, if times improved, whereas many of the farmers of smaller capital have been obliged to curtail expenditure on cake and manure, and also decrease their stock of cattle and sheep, and, moreover, are unable to take advantage of opportunities of making a bargain."
- Johnson, 7940.
Kidner, 2871.
Stratton, 6516.
C. 32.
Turner, 11,658.
Brown, 35,655.
Davies, 60,003.
Simpson, 16,740.
16,807.
Sparkes, 21,025.
Hutcheson, 24,569.
Parton, 26,054.
Bell, 26,258.
Bear, 27,856.
Scott, 29,992.
Epton, 35,884.
Looker, 41,200.
Guild, 53,636.
Gibb, 55,373.
- Small farmers.
Pringle, Yorks, 57.
- Fox, Lincoln, 102.

And in the Garstang report he writes thus:—

"In some districts it is the farmers' sons and daughters who have suffered rather than the land, for they have been and are giving their best energies towards its cultivation, receiving no reward in the present, and with but little prospect of any in the future. How far they will consent in the future to stop with their parents under such conditions remains to be seen.

Fox,
Garstang,
par. 20.

"It is said by some that the larger farms have stood the depression best, because they are usually held by men of more capital, and also because the rent per acre is cheaper. Others say the smaller farms have suffered least, because they are generally worked by the farmer and his family, and so there is no labour to pay."

125. The witnesses from Wales were almost unanimous in stating that the small farmers had suffered least, and attributed their greater success to the fact that they employed very little hired labour.

Hughes, 50,503,
50,687.
Pennant, 57,630.
Jones, 57,908.
Davies, 58,939.
Price, 59,564.
Roberts, 59,544.
Kerby, 60,600.
Griffith, 60,707

126. With regard to the effects of depression upon large and small farms in Scotland, Mr. James Hope, in his report on Roxburgh and nine other counties of Scotland, says:—

"I have endeavoured, as carefully as I could, to obtain trustworthy information as to whether the depression of which almost all complain so bitterly has been more keenly felt by the large or by the small farmer. In some of the northern counties, where the farms, as a rule, are smaller than what they are south of the Forth, I found a disposition on the part of some witnesses to hold that the smaller farmer had more successfully met the bad times than the large one. Those who held this view, however, were chiefly farmers holding from 60 to 120 acres, who not only worked hard themselves, but who employed their families to do the entire work of the farm and so were able to manage their holdings without hired labour. I put it to these witnesses whether they allowed the members of their families the same wage as they would have had to provide if strangers had been employed for the farm labour, and I was almost invariably told that fixed wages, as between the farmer and his family, were never thought of, and that all that the family expected to get was their board and a reasonable allowance for clothing. I was generally told that the rent of these small farms was usually at a higher rate per acre than that of the larger farms, and it was generally admitted by the small farmers themselves that, with the rents which they had to pay, they would not be able to get along at all, if they were also obliged to pay fair market value for the labour of their families. Indeed, several of the farmers of this class stated that neither they nor their families observed any working hours at all, but that they worked on from daylight to dark, and that even by doing so it was with the utmost difficulty that they got both ends to meet.

Hope, Rep.
on Rox-
burgh, &c.,
para. 24.

"There seemed to be a feeling, however, that from farms of this description, there was sent forth a very superior class of farm servants, who had been trained to careful and economical management, so that these small farms formed valuable nurseries for the better class of agricultural servants. Another class of witnesses held strongly to the view that the small farmers had been much more seriously affected by the bad times than the large farmers. They explained that a man with a large holding had much better organisation for carrying on the work of the farm; that he could employ all the most modern labour-saving machinery, and was better able to develop to the utmost the resources of the soil. The prevailing view was, that in some districts, small farms did well enough, but that, as regards money making, the large farmer was in a much better position than the small one, as he could produce proportionately much heavier crops, raise and feed more stock per acre, and generally cultivate the land and sell the produce to much better advantage."

In his earlier report on the counties of Perth, Fife, Forfar, and Aberdeen, he expressed the same opinion.

In regard to the south-western counties of Scotland, Mr. Speir reports:—

"All over the districts visited landlords and factors were unanimous in saying that the most profitable size of farm, from a landlord's point of view, was what in these districts is called a moderate sized one, viz., 100 to 300 acres. Nearly all were agreed that for this size a better class of tenants were forthcoming than for smaller holdings—men who usually had a sufficiency of capital, and who were fair business men, and who on that account were more pleasant to do business with than where either of these qualities was absent."

Speir,
Ayr, &c.,
par. 101-
105.

"In Ayrshire about 60 per cent. of the farms are between 100 and 300 acres in extent, but in the other counties there are a higher per-centage of that size. A few

factors say that the smaller farmers have met their obligations best, but in other districts the medium and larger farmers show the best record. All agree that the smaller farms yield a fully higher rent per acre than the larger ones, but factors say the farm is not a more profitable one for the landlord, because the little extra rent that is received for the land is more than swallowed in interest on the extra buildings. One factor of a large estate said he had expended as much as 10 years' rent in building a dwelling-house alone for a small tenant."

"In connexion with this matter, the remarks of an agent of one of the largest estates in the districts visited by me are well worth quoting. He said he found arrears heaviest on the largest sized farms (this experience was not, however, general) and least on the small ones, but considered small farming little better than British slavery."

"For the smaller sized farms there are, however, many more competitors than for the large ones. The evidence of the factors whom I met was, however, all in favour of having a good mixture of farms of different sizes, as then the abilities, tastes, and financial resources of competitors can be more easily met."

"In the districts visited there was not much tendency shown to either increase or decrease the size of the farms; if anything, however, the tendency is on the whole to increase the size. Whenever buildings get out of repair, if a small farm lies conveniently near another belonging to the same proprietor, the two are often put into one, and the best set of buildings, or those most centrally situated, are made of sufficient size to do duty for the whole. In no case did I come across any instance where one farm had been divided simply for the purpose of making two holdings."

127. As in other parts of the country, the opinions of witnesses from Scotland would seem to differ considerably on this question.

A. R. Stuart,
52,070.

In favour distinctly of small farms the following may be quoted:—

Mr. Stuart (Banffshire) states that small tenants have actually made his part of the country. They have made improvements wholesale, and rents have been increased upon them for their own improvements.

J. Boyd-
Kinnear,
50,908-9.
50,916.

Mr. Boyd-Kinnear (Fifeshire) says that as a rule the small farms, cultivated by the tenant and his family, have been less affected by the depression than the large farms, and he thinks that their number should be increased by State loans.

J. Dun,
53,283.

Other witnesses would appear to adopt an opposite view. Mr. J. Dun says that the small farmers in the Galashiels district do not seem as well content as the larger farmers.

G. Brown,
62,542.

Mr. Brown thinks that the large tenant farmers of the North have suffered more than the small.

W. McCon-
nell, 55,167-
8.
55,170.

Mr. McConnell is of opinion that the large farmers are farming best in Wigtownshire, and, whether they prosper best or not, are making the biggest struggle. He doubts whether the small farmers "are even in as good a position as the ordinary ploughmen."

W. Bell,
26,258.
26,259.

Mr. Bell (Forfarshire) considers that large and small tenants have much about the same difficulty in meeting their rents; he would say that practically the small tenant is worse off than the labourer.

128. The evidence of the following witnesses may be interpreted as neutral.

Dr. Gibb,
53,373-4.

Dr. Gibb says that all farmers, large and small, pastoral and arable, have suffered alike in Berwickshire.

J. Drew,
53,785.

Mr. Drew does not think there is any difference in the prosperity of the small farmers as compared with large farmers.

A. Guild,
53,636.

Mr. Guild thinks that large and small farms have been equally affected by the fall in prices.

W. S. Fer-
guson,
22,811.

Mr. Ferguson considers that large and medium farmers have suffered equally in the Midland counties; the smaller farmer assisted by his family does not lose in the same way.

A. Hutche-
son, 24,569
and 24,695.

Mr. Hutcheson thinks that the depression is very nearly alike on large and on small farms in Perthshire, but that the small farmer who can save the labour bill has perhaps felt it less.

129. The evidence we have received shows that there is much difference of opinion as to the relative advantages of large and small farms. It appears to us, however, that this question is largely determined by circumstances of soil, situation, and system of farming pursued. In arable counties, where there is difficulty in effecting any change in the system of cultivation, the depression has been perhaps less marked on the large farms, notwithstanding the fact that on small occupations there is less outlay for labour. But in localities where the soil and situation are such as to favour a departure from the ordinary methods of farming, as by the cultivation of fruit, flowers, vegetables, and by poultry keeping the small farms appear to afford better prospects than the large ones.

6. THE AGRICULTURAL LABOURER.

130. We have already stated (par. 16), that the condition of the agricultural labourer has recently been the subject of an exhaustive inquiry by the Royal Commission on Labour. In his report to that Commission, Mr. Little, one of our colleagues, speaking of the changes which had taken place down to 1892 in the circumstances of this section of the agricultural community, says:—

“The number of those competing for employment in agriculture has everywhere decreased.”

“The decrease in the number of wage earners in agriculture has been most marked in Ireland, but the effect of a decrease has been most felt in Scotland, where only there is a general complaint of a scarcity of labourers.”

“In England a general contraction of employment in agriculture has proceeded concurrently with the decrease of wage-earners, and to some extent balanced the supply and demand.”

“The decrease in the number of labourers has improved the chance of obtaining regular work by those who desire it.”

“The universal withdrawal of women from field work is an evidence of an improvement in the circumstances of the labourers.”

“The material condition of the labourer has everywhere improved, though there are still very wide and striking differences as to the amount of remuneration received by them in different localities and parts of the United Kingdom.”

“This improvement, though in some measure due to an increase of earnings, is, however, very largely the result of the cheapening of commodities which are the necessities of life.”

“The least satisfactory circumstance affecting the life of the labourers is the condition of the dwellings which a considerable number of them are compelled to live in.”

131. In the appendix to Mr. Little's report, tables are given showing the number of male and female wage-earners in agriculture in 1871, 1881, and 1891. The figures relating to Great Britain are reproduced below:—

—	Sex.	Number, 1871.	Number, 1881.	Number, 1891.
England and Wales	Males - - -	938,530	849,929	774,762
	Females - - -	58,112	40,345	24,150
	Total - - -	996,642	890,174	798,912
Scotland - - -	Males - - -	122,306	105,693	98,718
	Females - - -	42,790	44,172	22,055
	Total - - -	165,096	149,765	120,773
Great Britain - - -	Males - - -	1,060,836	955,422	873,480
	Females - - -	100,902	84,517	46,205
	Total - - -	1,161,738	1,039,939	919,685

It will be seen that the reduction in the number of males between 1871 and 1891 is 187,356, the decrease between 1871 and 1881 being 105,414; in the number of females there is a decrease shown of 16,385 between 1871 and 1881, and of 38,312 between 1881 and 1891.

132. The evidence we have received relating to the position of the agricultural labourer in Great Britain supports generally the conclusions arrived at by Mr. Little in the report above referred to, but we find that in the purely arable counties of the east of England and in some of the counties in the south and west there has been, since 1892, a further and considerable reduction of the number of men employed, while those still engaged have in many instances suffered from irregularity of employment and from a fall in wages.

133. The principal features of the past three years have undoubtedly been a contraction of the area, and greater irregularity of employment, in arable districts owing to the withdrawal of land from the plough. In this connexion we may refer here to some of the statements contained in the reports of our Assistant-Commissioners.

Fox,
pars. 75, 77.

Reporting upon Cambridgeshire, Mr. Fox says, "As regards regularity of employment there is no doubt whatever that it is less regular than it was two or three years ago." He adds that in 1892 work was generally regular, and wages were as high or higher than they had ever been, but since then they have fallen by 2s. a week, particularly in South Cambridgeshire, and employment is much less regular in many districts.

Pringle,
Essex,

Matthew,
61,486,
61,504,
61,498.

Of Essex, Mr. Pringle says, "on holdings where grass has been substituted for cultivated crops, and on three-horse farms where land has gone out of cultivation, few labourers are employed on the land Where formerly three labourers earned a livelihood, not one will be found now." He states that good arable farmers have not reduced the number of labourers regularly employed. A witness from this county said that wages had been reduced by 2s. a week.

Rew,
Norfolk,
par. 73.
par. 80.
par. 82.

In Norfolk, Mr. Rew reports that there has been a diminution in the number of men employed, partly owing to the contraction of the arable acreage, and partly to the fact that in many instances farmers are reducing their staff. At the time of his visit to this county (November 1894) the general rate of wages was 10s. per week, while the average earnings, taking a year through, were 13s. to 14s.; but it was expected that a fall would take place before Christmas. He adds, "it goes without saying that wages are higher now than they were 40 years ago. At that time the weekly wage was commonly a bushel of wheat and 1s. 6d. . . . now wages would be more like a coomb (*i.e.*, 4 bushels) of wheat and 1s. 6d."

Fox, Suffolk,
pars. 102,
103, 116.

Our Assistant-Commissioner who reported upon Suffolk says, "In June 1892, when I reported on the Thingoe Union to the Royal Commission on Labour, I was able to say that the agricultural labourers had not suffered through the depression, for they were in receipt of a wage which had never been exceeded, except for some years in the seventies, and their employment was fairly regular. But I regret to say that the same prosperous account cannot be given for 1893-95, either with regard to wages or employment. In June 1892 the weekly wages of ordinary labourers were 12s., but in the autumn of that year they had, in a number of cases, dropped to 11s. In 1893 they were 11s. and in some places dropped to 10s. in the autumn and winter. In 1894 wages were 11s. in East Suffolk, and 10s. in West Suffolk up to the autumn, when, in November, a number of farmers in West and North-West Suffolk reduced their men to 9s., and in a few very exceptional cases to even 8s., which the latter agreed to take rather than be discharged. But on large farms a good deal of piece-work is given, which often considerably augments the weekly wages, as 2s. 6d. a day can then be thus earned, or sometimes as much as 3s. 6d."

Fox,
Lincoln,
par. 139.
Id., par. 140.

The same Assistant-Commissioner states that in Lincolnshire wages of ordinary labourers showed a downward tendency after the disastrous season of 1893, and the low prices of grain in 1894. More casual men were in irregular employment in the winter seasons of 1893-4 and 1894-5, than had been known for years. In the latter year this was entirely due to farmers reducing their staff, owing to the ruinous price of corn. He adds, however, that much of the superior land is still in a high state of cultivation "which is the best evidence that labour in many districts has not been curtailed." Two witnesses from this county stated that in their districts wages had been reduced by 4s. and 6s. per week during the last 20 years.

Epton,
35,858-67.
Pears,
36,307-12.

134. From several other counties we have also received evidence that in the arable districts the number of labourers has been reduced, and that employment is less regular and more uncertain.*

135. As regards the question of wages, we gather that these have been reduced during the past two or three years in many of the eastern counties between the Humber and the Thames. In Suffolk the fall has amounted to as much as 3s. per week, but in the neighbouring counties it has usually not exceeded 2s. per week. In South Wilts and in parts of Berkshire, Staffordshire, Warwickshire and Westmorland there has also

* Murray, 5122; Stratton, 6527-32; Smith, 8100-1; Wyatt, 10,771-4, 10,818; Punchard, 15,015; Broughton, 15,317-9; Everett, 19,144-52, 19,625; Lipscomb, 20,576-8; Cooke, 22,147-9; Hutcheson, 24,434; Edwards, 25,134-6; Dewar, 31,717-9; Stratton, 34,689; Finney, 35,724; Epton, 35,998, 36,001; Pears, 36,304-6.

been a reduction of wages. On the other hand, the evidence from the remaining counties of England has been generally to the effect that wages have not fallen.*

136. All the witnesses we have examined from Wales agree that there has been no fall in wages in the Principality; but there has been a reduction of the number of men employed in some Welsh counties. The maintenance of wages is said to be due to some extent to the neighbourhood of collieries and quarries.†

137. In the case of Scotland, Mr. Hope, in referring to the group of eastern counties extending from Roxburgh to the Firth of Forth, observes that there has been a little saving of labour on farms where the rotation has been extended, but he "would not say much in Scotland." Mr. Speir is of opinion that in the south-western counties of Scotland a trifle less labour is employed owing to the use of more efficient machinery. Some witnesses have mentioned that a similar process has been in operation in some of the arable counties north of the Forth. The Scotch witnesses are unanimous in stating that wages have been well maintained in that country.‡

138. The latest report of the Labour Department of the Board of Trade on the changes in the rates of wages in 1894 contains the following statement with regard to agricultural labourers:—

Labour
Department,
Second
Annual
Report,
C. 3075.
1896, p. liii.

"The extent and character of the changes in agricultural wages varied very greatly in different parts of the country. In the northern counties (Northumberland, Cumberland, Westmoreland, and Durham) where the effects of agricultural depression have been less marked than in most other counties in England, there has been a small rise. In Lancashire, Cheshire, and Yorkshire, where compared with many other counties the depression has been less severe, more particularly in the two first named counties, there was a small fall. Generally speaking, in the part of England north of the Humber agricultural wages were practically stationary. . . . The great centres of changes in agricultural wages were in the eastern and midland counties, which include the principal corn growing districts The principal fall in wages has taken place in the corn-growing counties of Norfolk, Suffolk, Essex, and Cambridge, where 53,954 labourers were in districts in which wages decreased during the year, the net effect of all the changes in these counties being a fall of 1,434*l.* per week. The increase in the wages of 7,146 labourers in these districts was confined to three poor law unions It should be added that it is not infrequently reported, more particularly in the eastern and midland counties, that there has been a tendency for farmers to reduce the number of men employed, and in some cases to give less regular work rather than to reduce the rate of wages. No doubt the conversion of arable land to grass has in a number of districts caused a reduction in the number of labourers employed, while in some districts there is evidence that the land is being worse farmed than formerly owing to a curtailment of labour. In 1894 irregularity of work was chiefly confined to the eastern and midland counties which have been most affected by agricultural depression."

With regard to Wales the Commissioner for Labour finds it impossible to compute with accuracy the changes that have taken place. The figures which are given show a net increase of about 7*d.* a week, but the opinion is expressed that "there has been a

* Lushington, 1729-31; Stratton, 6522-5; Johnson, 7677-83, 7708-10; Everett, 18,861-3; Biddell, 39,327-47, 39,486-505; Read, 16,015-7, 16,029-30, 16,153-8, 16,754-5; Dewar, 31,689-94; Hall, 34,633-7; Epton, 35,853-67, 35,994-95, 36,130-4; Pears, 36,306-12; Looker, 41,213-7; Pringle, 48,198-204; Rew, Salisbury Plain, par. 56; Bomford, 14,636-71; Smith, 8818-23; Wantage, 4713-6; Punchard, 14,994; Harrison, 1616-7; Middleton, 2391-7; Cocks, 1880; Collins, 37,183-5; Watson, 2099-2100; Murray, 5123-1; Rankin, 5556; Raynbird, 6258-9; Fream, 11,796; Tebbutt, 6995-7001, 7143-5; Wyatt, 10,819-20; Worthington, 12,576-82, 12,880-1; Rolleston, 13,392-4, 12,407-17; Sparkes, 21,114-5, 21,156; Lopes, 17,030-7, 17,126-31; Scott, 29,299-30,009; Wilkinson, 3164-5; Landor, 33,332-7; Stratton, 34,845; Riley, 36,404-5; Parker, Norfolk, 61,065-9; Hutchinson, 43,996-8; Pringle, 47,548; Britten, 50,946.

† Hughes, 50,365-7; Roberts, 55,866; Jenkins, 56,871-3, 56,876-9, 57,116; Pennant, 57,263-4, 59,269; Williams, 57,697-704; Jones, 57,995-9; Fisher, 58,341-4; Dutfield, 58,647-56; Davies, 58,882-5, 58,893, 58,941-4; Price, 59,569-71, 59,569-71, 59,576-8, 59,580, 59,613; Roberts, 59,857-65, 59,867-8; Davies, 59,991-4; Drummond, 60,189-194; 60,330-7; Kirby, 60,605-8; Griffith, 60,769; 60,775-8, 60,786-9; Hughes, 50,364-6.

‡ Hope, 48,391-3; Speir, 49,000; Ferguson, 22,878-89; Hutchinson, 24,427; Flockhart, 52,756-7; Dun, 53,222-4; Hope, 12,355-66, 48,388; Hutcheson, 22,410-21, 24,771-3; Ralston, 24,837-9; Muirhead, 30,416-20; Gillespie, 50,892-5; Kinnear, 50,949-40; Davidson, 51,182; Black, 51,578-81, 51,672-80; Stuart, 51,818-21; Dickie, 52,305-6; Elliott, 52,443-4; Gordon, 52,659; Flockhart, 52,740; Dun, 53,213-5, 53,288-90; Drew, 53,830-4; Ballingall, 54,138; Mitchell, 54,334-7.

greater change in an upward direction in the wages of Welsh labourers than shown by the figures given above."

"In Scotland . . . there have been no changes of sufficient importance to make a material difference in the wages of any particular class."

139. The evidence discussed in the foregoing paragraphs relating to the condition of the agricultural labourer seems to afford good ground for the conclusion that the effects of the depression on this class have been chiefly seen in a reduction of the number of the employed and in the irregularity of employment. This feature has been most manifest in the eastern counties of England, where a large area of arable land has been withdrawn from the plough. It has also been noticeable to a lesser extent in other parts of Great Britain. There has been a fall in wages since 1892 in the group of counties between the Wash and the Thames, in Lincolnshire, South Wilts, and in parts of Berkshire, Staffordshire, Warwickshire, and Westmorland; but in the remaining English counties wages have apparently not fallen. In Wales also wages have been maintained, and in Scotland, even in the arable districts, there has been no downward tendency.

140. At the same time it is impossible not to regard with apprehension the continuous decrease in the numbers of the agricultural labourers which has been taking place for many years past simultaneously with a rapid increase in the total population of the country. The total population of Great Britain rose from 26,072,284 in 1871 to 33,028,172 in 1891, and, as we have shown, the number of the agricultural labourers of Great Britain fell during those years from 1,161,738 to 919,685. In other words, while in 20 years the British population increased by 6,955,888, the agricultural labourers of Great Britain decreased by 242,053. It is unnecessary for us to enlarge on the significance of these figures from the point of view either of the national physique or of the interests of the working classes engaged in other than agricultural industries.

7. PRINCIPAL AGRICULTURAL FEATURES OF THE YEAR 1896.

Journ. Board
of Agric.,
Dec. 1896,
March 1897.

141. In the preceding chapters we have reviewed the evidence received by us up to the end of the year 1895, and we now propose to refer briefly to the leading features of the agricultural situation subsequent to that year, dealing in the first place with the changes in the area under grain crops, and in the numbers of live stock, as shown in the preliminary returns issued by the Board of Agriculture.

142. According to the official estimates the acreage and production of the principal cereal crops in 1896 and 1895 compare as follows;—

Crop.	Area.		Production.		Yield per Acre.	
	1896.	1895.	1896.	1895.	1896.	1895.
	Acres.	Acres.	Bushels.	Bushels.	Bushels.	Bushels.
Wheat - -	1,693,957	1,417,483	57,053,000	37,176,000	33·68	26·25
Barley - -	2,104,764	2,166,279	70,775,000	68,651,000	33·63	31·69
Oats - -	3,095,488	3,296,063	114,016,000	122,149,000	36·83	37·06

Contrasting the estimates for 1896 with those for the preceding year, it will be seen that there was a recovery of nearly 280,000 acres in the area under wheat, and the total production of this cereal exceeded that of 1895 by 20,000,000 bushels, an increase due partly to the extended acreage but mainly to the abundant yield per acre, which was the largest returned in the 13 years for which official records of production exist. The barley crop of 1896 was grown on a slightly smaller acreage than in 1895, but the aggregate yield was over 2,000,000 bushels greater than that of the last-mentioned year. Oats occupied a smaller area than in 1895, and the production of this grain was more than 8,000,000 bushels short of the crop of that year.

143. As regards live stock the official returns show that the farm stock of Great Britain in 1896 numbered nearly 150,000 more cattle and about 900,000 more sheep than in 1895. The number of these animals enumerated in each of the past three years has been as follows :—

—			Cattle.	Sheep.
1894	-	-	6,347,000	25,861,000
1895	-	-	6,354,000	25,792,000
1896	-	-	6,494,300	26,705,000

PRICES.

Grain.

144. A satisfactory feature of the past year was the rise in the prices of grain which set in at the end of September. The official weekly average price of British wheat rose in November to 33s. 4d. per quarter, the highest weekly average recorded since 1892; barley reached 29s. 7d. per quarter; and oats 17s. 7d. per quarter; and although the prices began again to fall towards the end of the year (the official averages for the week ended December 26th having been 30s. 9d. for wheat, 24s. 1d. for barley, and 16s. 1d. for oats) they were maintained at a higher level than in the corresponding periods of either of the previous two years. The rise was, however, not of sufficient duration to materially influence the annual average prices of barley and oats, but its effect upon wheat was more marked, owing to the fact that the market quotations for this cereal had already shown signs of an advance in the first five months of the year. The annual average prices for the three grains in question in 1896, compared with those of 1894 and 1895, are returned by the Board of Agriculture as follows :—

—			Wheat.	Barley.	Oats.
			<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1894	-	-	22 10	24 6	17 1
1895	-	-	23 1	21 11	14 6
1896	-	-	26 2	22 11	14 9
Average, 1894-6			24 0	23 1	15 5

Meat.

145. The improvement to which we have referred in the case of grain was, however, accompanied by a movement in the opposite direction in the prices of beef and mutton. According to the official records the average wholesale prices of British cattle and sheep at the Metropolitan Cattle Market in 1896 were the lowest recorded for several years.

The figures for the past year as compared with those of 1895 and 1894 are as follows :—

Years.	Average Price of British Cattle per Stone of 8 lbs.			Average Price of British Sheep per Stone of 8 lbs.		
	Inferior.	Second.	Best.	Inferior.	Second.	Best.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>£. d.</i>
1894 - -	2 5	3 11	4 6	3 7	5 2	5 10
1895 - -	2 8	3 11	4 6	3 11	5 4	5 11
1896 - -	2 4	3 9	4 5	3 3	4 10	5 5
Average price, 1894-6	2 6	3 10	4 6	3 7	5 1	5 9 .

Wool.

146. Turning next to wool we find that the recovery which took place in 1895 in the prices of some qualities of this product, especially in lustre and long staple wools, was of a temporary character and that nearly all grades showed a decline in 1896 from the level of the preceding year, though generally speaking, the market quotations exhibited a slight improvement on the prices which prevailed in 1892-94.

The average annual prices per lb. of Lincoln wool as recorded by the "Bradford Observer," and of other varieties included in the official returns, during the past three years have been as follows :—

	Lincoln.			Southdown.	Half Bred.	Leicester.
	Half Hogg.	Hogg.	Wether.			
1894	d. 10½	d. 10¾	d. 9½	d. d. 9¾ to 12	d. d. 9½ to 10¾	d. d. 9 to 10
1895	12	12¾	11½	9½ „ 11½	9½ „ 11	9½ „ 10½
1896	11½	12½	10½	9½ „ 11½	9½ „ 10¾	9¾ „ 11

147. Viewing briefly the facts demonstrated by the official data to which we have referred in the foregoing paragraphs, we are glad to find that the circumstances of the season of 1896 have not added to the difficulties of the agricultural position, and inasmuch as the abundant harvest and the great increase in the numbers of live stock have augmented the amount of farm capital in the country, the situation is in that respect less embarrassing than in 1895.

148. On the other hand, we are unable to find that there has been any general advance in the market values of farm produce. It is true that there was some recovery in the prices of grain and wool, but there was a movement in the opposite direction in the case of meat. So far, then, as concerns the main cause of the depression, viz., the fall in prices, the information at our disposal relating to the season of 1896 does not present any features which point to a permanent improvement, for while the characteristics of that year have been on the whole less discouraging than those of 1895, they have not been sufficiently encouraging to induce us to modify the conclusions we have formed as to the serious nature of the existing depression in agriculture.

PART II.

Causes of Depression.

CHAPTER I.

THE FALL IN PRICES.

see p. 52 for summary

149. One conclusion which cannot fail to be drawn from a perusal of the evidence before us, is that among all classes of agriculturists there is a consensus of opinion that the chief cause of the existing depression is the progressive and serious decline in the prices of farm produce.* So unanimous has been the testimony from nearly all parts of the country on this point that we consider it unnecessary to quote from the general statements of individual witnesses on the subject, but we propose to deal in some detail with the statistics of prices which have been put before us in the course of our inquiry.

150. The views expressed by the witnesses we have examined as to the cause of the depression have been emphasised by the evidence gathered by our Assistant-Commissioners.

Mr. Wilson Fox, in his report upon Cambridge, says that by far the greater number of agriculturists in that county, whether landowners, agents, or farmers, are of the opinion that the chief cause which has brought about the present serious state of things is the low prices prevailing for all agricultural produce, and that a rise in prices is the only remedy which could be of any substantial benefit to them.

Fox, Cambridge, par. 78.

Mr. Rew states that the reduction in the value of produce in Norfolk has far outrun any attempts which could be made to re-adjust the cost of production. A committee of the Norfolk Chamber of Agriculture, appointed in 1894 to inquire into the condition of agriculture in the county, reported as follows:—"What the result of the present year will be it is impossible to forecast; but this is certain, that without a rapid recovery in prices landlords and tenant farmers will be ruined, the labourers will be without work, and the whole machinery of education, poor relief, &c., will be disorganised."

Rew, Norfolk, par. 21.

Rew, Rep. Norfolk, App. B. 1.

In Suffolk the great majority of landowners and farmers consider that at the present juncture the question of prices is of paramount importance to them, and they take but little interest in others.

Fox, Suffolk, par. 118.

In the counties of Bedford, Huntingdon, and Northampton, Mr. Pringle reports, the present depression of agriculture is everywhere attributed to low prices.

Pringle, Bedford, &c., p. 46.

Mr. Speir, in his report upon several Scotch counties, states that as a rule all those with whom he came into contact considered the fall in prices to be the chief cause of the depression.

Speir, Ayr, &c., p. 4.

Similar statements are to be found in the reports of the Assistant-Commissioners who visited other districts in Great Britain.†

151. As regards the total extent of the depreciation in the prices of agricultural produce, our colleague, Sir Robert Giffen, has calculated that the fall in the annual value between 1874 and 1891 amounted on the average to 77,000,000*l.*, or 25 per cent.

Giffen, 18,133.

* Huskinson, 711; Harrison, 1459; Middleton, 2398; Kidner, 3060; Noakes, 3384; Murray, 5187; Rankin, 5566; Holzmann, 5887-8; Hicks-Beach, 6043-4; Raynbird, 6254, 6340; Stratton, 6723; Tebbutt, 6929; Squarey, 7367; Smith, 9347-9; Wyatt, 11,030, 11,150; Dobson, 13,165; Rolleston, 13,395; Strutt, 13,876; Kay, 14,123; Turnor, 14,591; Bomford, 14,815; Punchard, 15,012; Broughton, 15,468, 15,483; Read, 16,340, 16,593; Simpson, 16,803; Lopes, 17,016; Rowlandson, 17,611; Pell, 17,698; Giffen, 18,084, 18,133; Lipscomb, 20,694; Sparkes, 21,052, 21,254; Sheldon, 21,774; Cooke, 22,013-4; Richmond, 22,627; Ferguson, 22,897, 23,229; Clarke, 23,370; Hutcheson, 24,697; Ralston, 25,089; Parton, 26,002-14; Bell, 26,287; Bear, 27,489; Scott, 28,984, 30,308; Lousley, 31,184; Wilkinson, 31,322; Dewar, 31,828; Lander, 33,625; Moulton, 34,150; Stratton, 35,102; Finney and Osborne, 35,316-7; Epton, 35,931, 36,047, 36,064; Pears, 36,294; Riley, 36,447; Duckham, 36,660-61; Collins, 37,163, 37,413; Olver, 37,433; Biddell, 39,367; Treadwell, 39,729; Lawes, 40,892, 41,015; Looker, 41,251; Adams, 41,908; Hutchinson, 43,740; Jones, 44,737.

† Rew, Salisbury Plain, p. 6; Pringle, South Durham, p. 27; Hope, Roxburgh, p. 26; Hope, Perth, &c., p. 8; Fream, Andover, p. 5; Rew, North Devon, p. 8; Turner, Frome, p. 13; Turner, Stratford-on-Avon, p. 31; Spencer, Hertford, p. 23.

Agricultural
Returns,
1894, pp.
137 and 154.
Id., p. 137.

It is to be observed, however, that since 1891 there has been a further decline in prices, and there can be little doubt that the above per-centage would be increased if the comparison were made between 1874 and any year subsequent to 1891. Moreover, the average price of wheat was higher in 1891 than in the previous seven years, or in any year since, and this tended to reduce the extent of the fall shown in Sir R. Giffen's estimate.

Turnbull,
59,280,
59,285.

Mr. R. E. Turnbull estimated that the reduction in the gross annual revenue from agriculture, comparing the years 1874-75 with the years 1892-93, was about 82 millions, or 30 $\frac{3}{4}$ per cent., and he added that if the comparison was made with 1894 the difference would be greater.

Other witnesses* have estimated that the average fall in the prices of all kinds of farm products during the past 20 years has been between 30 and 40 per cent., while some are of opinion that it has even exceeded 40 per cent.

PRICES OF GRAIN.

152. One of the most potent factors in bringing about the depression has been the heavy fall in the price of grain.

Fox, Lincoln,
par. 61.

Mr. Wilson Fox furnishes a calculation of the value of the wheat and barley crops in Lincolnshire, which shows a decline between 1874 and 1894 of over 66 per cent.; the total value of the crops in the earlier year having been 4,815,951*l.* as against 1,350,929*l.* in 1894, taking the yields at 4 $\frac{1}{2}$ quarters of wheat per acre and 5 quarters of barley in 1874, and 3 $\frac{1}{2}$ quarters per acre of wheat and 3 quarters of saleable barley, and 1 quarter of hinderends in 1894.

Rew, Nor-
folk, App.
B. 1.

The Norfolk Chamber of Agriculture have drawn up a report showing a fall of nearly 2,600,000*l.* in the value of the corn crop (wheat and barley) in the county between 1874, when the acreage was 397,790 acres, and 1894, when the acreage was 336,767 acres; while, if allowance were made for half the barley crop having been unsaleable for malting, the total fall in value would amount to 2,754,000*l.*, representing a loss of six guineas per acre on the wheat and barley shift, and of nearly 6*l.* per head for every man, woman, and child living in Norfolk. It has been objected to this estimate that the calculation for 1874 is based upon the average price of the year, while that for 1894 is made upon the prices of the first week in October, but were the imperial average annual prices of British corn for the later year substituted for those adopted by the Chamber, the loss would be reduced by only 174,000*l.*, or about 6 per cent.

Agricultural
Returns,
1894, p. 137.

Ingram, 3478.
Turner, 11,566.
Read, 16,593.
Simpson, 16,903.
Ferguson,
23,239.
Bell, 26,289.
Wilkinson, 31,325.
Jones, 44,737.

Most of the witnesses who have given oral evidence on the subject have put the fall in price at upwards of 50 per cent. in the case of wheat, and from 30 to 40 cent. in the case of barley and oats.

153. An examination of the accounts contained in the reports of the Assistant-Commissioners has shown that on many farms there has been a decline of 50 per cent., and in some cases of more, in the value per acre of the cereals produced during the last 20 years.

Fox, Cam-
bridge,
par. 69.

Id., App. A.
3 (A).

Fox, Suffolk,
App. A. 6
(A).

Id., App. A.
6 (B).

On a farm in Cambridgeshire, the average value per acre of all cereals in 1874-76 was 10*l.* 17*s.* 5*d.*, while in 1893-95 it was only 4*l.* 14*s.* 3*d.* For another farm in the same county, the average value per acre of all cereals in 1874-77 was 10*l.* 13*s.* 9*d.*, while in 1892-95 it had fallen to 4*l.* 17*s.*

On a farm in Suffolk, wheat fell in value from 8*l.* 17*s.* 9*d.* per acre in 1883 to 4*l.* 7*s.* in 1894, a fall of 51 per cent. in 12 years, while barley declined in value 56 per cent. during the same period. The accounts of a farm at Rendlesham, in the same county, show a fall in the value per acre of wheat and barley between 1874 and 1894 of 58 per cent. and 49 per cent. respectively, while in another case the fall in these two grains in the same period was 42 per cent. and 50 per cent. respectively.

Rew, Nor-
folk, par. 23.

On a farm of 650 acres (400 arable) in the fen land of West Norfolk, the gross receipts from the corn crop showed a reduction of 40 per cent. between 1890 and 1893.

Fox, Lincoln,
par. 62.

The accounts of a farm in Lincolnshire show a reduction of 76 per cent. in the value per acre of the wheat crop between 1873 and 1893, and a fall of 45 per cent. in the value per acre of the crop comparing the five years 1873-77 with the quinquennium 1888-92.

* Kay, 14,131; Punchard, 15,012; Read, 16,595; Sheldon, 21,774; Hutcheson, 24,697; Ralston, 25,089; Scott, 30,022; Finney and Osborne, 35,316-7.

On another farm in the same county, the average value per acre of wheat and barley in 1873-77 was 9*l.* 6*s.* 8*d.* and 9*l.* 13*s.* 1*d.* respectively, while in 1888-92 it was 5*l.* 6*s.* 3*d.* and 5*l.* 6*s.* 4*d.*, a fall in value of 43 per cent. in wheat, and 45 per cent. in barley; the value per acre of these crops in 1873 was 9*l.* 14*s.* 3*d.* and 11*l.* 7*s.* 4*d.*, as compared with 3*l.* 0*s.* 7*d.* and 2*l.* 14*s.* in 1894, the difference representing a fall of 69 per cent. in wheat and of 78 per cent. in barley.

A calculation of the cost of working, and the gross returns from, an acre of ordinary arable land in Dorsetshire on the four-course system at present prices, shows an actual loss of 6*s.* 9*d.* per acre per annum, without allowing for the payment of any rent whatever.

154. Oats have not experienced so heavy a fall in value as wheat and barley. A statement in the report upon Lincolnshire shows a fall of over 33 per cent. in the price of oats comparing the period 1874-78 with 1890-94.

155. From the evidence before us it is obvious, even after making allowance for any exceptional circumstances which may have affected individual calculations, that during the past 20 years the fall in the value of wheat has been at least 50 per cent., while in the case of barley and oats it has approached, if it has not exceeded, 40 per cent.

156. The evidence we have heard on this point is, moreover, substantiated by the official returns published, under the Corn Returns Act, by the Board of Agriculture, of the average prices of British wheat, barley, and oats.

From these returns we have prepared the following statements, one of which shows the average prices as officially recorded for triennial periods since 1876, while the other shows the changes in these prices compared with the average for 1876-78 expressed as 100. We have considered it desirable to take an average of three years in order to avoid any inequalities which might arise from a comparison of the prices of single years.

I.—TRIENNIAL AVERAGE PRICES of BRITISH WHEAT, BARLEY, and OATS (per Imperial Quarter).

Years.	Wheat.	Barley.	Oats.
	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>
1876-78	49 9	38 4	25 6
1877-79	49 0	37 11	24 0
1878-80	44 10	35 9	23 1
1879-81	44 6	33 0	22 2
1880-82	44 11	32 1	22 3
1881-83	44 0	31 8	21 8
1882-84	40 9	31 3	21 2
1883-85	36 8	30 10	20 9
1884-86	33 2	29 1	19 11
1885-87	32 1	27 4	18 7
1886-88	31 9	26 7	17 4
1887-89	31 4	26 4	16 11
1888-90	31 2	27 5	17 8
1889-91	32 11	27 7	18 9
1890-92	33 1	27 8	19 6
1891-93	31 2	26 8	19 6
1892-94	26 6	25 5	18 7
1893-95	24 1	24 0	16 9

II.—TRIENNIAL AVERAGE PRICES of BRITISH WHEAT, BARLEY, and OATS, compared with the average price of 1876-78. (The average of 1876-78 is expressed as 100.)

Years.	Wheat.	Barley.	Oats.
1876-78	100	100	100
1877-79	98	99	94
1878-80	90	93	90
1879-81	89	86	87
1880-82	90	84	87
1881-83	88	83	85
1882-84	82	82	83
1883-85	74	80	81
1884-86	67	76	78
1885-87	64	71	73
1886-88	64	69	68
1887-89	63	68	66
1888-90	63	71	69
1889-91	66	72	73
1890-92	66	72	76
1891-93	63	70	76
1892-94	53	66	73
1893-95	48	63	66

It will be seen that these tables show a fall in price of 52 per cent. in the case of wheat, 37 per cent. in barley, and 34 per cent. in oats.

157. At the prices of 1876-78 the average annual production of the three principal cereal crops in Great Britain in 1892-94 would have been of the value of 52,356,800*l.*;

at the prices of 1893-95 the value of this production was 31,218,000*l.*, the difference representing a fall of 21,618,000*l.*, or over 40 per cent.

Taking the arable counties of York (East Riding), Lincoln, and the seven eastern counties between the Wash and the Thames (excluding Middlesex), the reduction in the value of the wheat, barley, and oat crops, calculated on the same basis and for the same periods as in the case of Great Britain, amounted to over 7,000,000*l.*

158. With these facts before us it is difficult to see how the cultivation of cereals can be continued at a profit in this country except under specially favourable circumstances, as, for instance, the proximity of good markets for the sale of straw.

Lawes, 40,897, et seq. Sir John Bennet Lawes says: "In my opinion, the end must be that the greater part of our arable land must go on into grass. It is impossible to go on farming at the prices we have now, as far as I can see, even if the land is given up for nothing, unless it is very fine land indeed."

We should, however, point out that, since Sir John Bennet Lawes gave his evidence in February 1895, the prices of cereals have somewhat increased.

PRICES OF MEAT.

159. With respect to meat there has been a general concurrence of opinion among those who have given evidence on the subject that a considerable fall has taken place in the market value of beef and mutton during the past 20 years, especially since the early eighties.

Key, 14,151.
Punchard, 15,072.
Wilkinson, 31,326.
Stuart, 51,832.
Broughton, 15,433.
Finney and Osborne, 35,325.
Scott, 30,307.

160. In the case of beef the fall in price during the 10 or 12 years ending with 1894 has been put by many witnesses at from 30 to 40 per cent., and this estimate corresponds closely with the deductions we have been able to make from the statistics at our disposal.

Agricultural Returns, 1894, p. 148, and Journal of Board of Agriculture, Vol. II., p. 496.

161. The facts to be elicited from the evidence we have collected as to beef are corroborated by the official statistics relating to the quotations for British cattle at the Metropolitan Cattle Market, from which we have compiled the following tables showing the prices in triennial averages since 1876-78:—

I.—TRIENNIAL AVERAGE PRICES OF BRITISH CATTLE per Stone of 8 lbs.

Years.	Inferior Quality.	Second Quality.	First Quality.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1876-78	4 5	5 6	6 0
1877-79	4 4	5 4	5 10
1878-80	4 4	5 3	5 10
1879-81	4 4	5 2	5 8
1880-82	4 5	5 4	5 10
1881-83	4 4	5 5	5 10
1882-84	4 3	5 6	5 11
1883-85	4 1	5 3	5 8
1884-86	3 9	4 9	5 3
1885-87	3 5	4 3	4 10
1886-88	2 10	4 0	4 9
1887-89	2 7	4 1	4 9
1888-90	2 4	4 4	4 10
1889-91	2 6	4 4	4 10
1890-92	2 8	4 3	4 10
1891-93	2 10	4 2	4 10
1892-94	2 9	4 0	4 8
1893-95	2 8	4 0	4 7

II.—TRIENNIAL AVERAGE PRICES compared with the Average of 1876-78. (1876-78 expressed as 100.)

Years.	Inferior Quality.	Second Quality.	First Quality.
1876-78	100	100	100
1877-79	98	97	97
1878-80	98	95	97
1879-81	98	94	94
1880-82	100	97	97
1881-83	98	98	97
1882-84	96	100	98
1883-85	92	95	94
1884-86	85	86	87
1885-87	77	77	81
1886-88	64	73	79
1887-89	58	74	79
1888-90	53	79	81
1889-91	57	79	81
1890-92	60	77	81
1891-93	64	76	81
1892-94	62	73	78
1893-95	60	73	76

It will be seen that the fall in price amounts to as much as 24 per cent. even in the best qualities, while inferior grades have fallen 40 per cent.

162. As regards store cattle, it must be borne in mind that the prices of this class of stock are always affected in some degree by the supply of grass and roots available in any particular season, though this influence is perhaps more noticeable in the animals below two years old. It is clear from the evidence before us that the scarcity of fodder in 1892-93 seriously reduced the returns from the sales of stores. Farmers in the northern counties point to these years as being the worst they have experienced in this respect since 1880. Fox, Cumberland, par. 38.

Apart, however, from considerations of this nature, there appears to have been a marked tendency towards depreciation in all grades of store stock in the 12 years ending with 1894.

In this connexion reference may be made to the triennial average prices of cattle as struck by the Teviotdale Farmers' Club, which afford a useful illustration of the changes in the value of young stock in the northern counties :— Fox, Cumberland, App. A1.

Year.			Shorthorn Stirks.	Shorthorn, Two-year-old.
			£ s. d.	£ s. d.
1876-78	-	-	9 16 8	15 1 8
1877-79	-	-	9 12 6	14 6 8
1878-80	-	-	9 10 0	14 8 4
1879-81	-	-	8 15 0	13 12 8
1880-82	-	-	9 16 8	14 17 8
1881-83	-	-	10 17 6	15 9 4
1882-84	-	-	11 4 2	15 11 8
1883-85	-	-	9 8 4	13 18 4
1884-86	-	-	7 11 8	12 3 4
1885-87	-	-	6 12 6	11 0 0
1886-88	-	-	7 10 0	11 17 6
1887-89	-	-	8 18 4	13 1 2
1888-90	-	-	10 0 10	13 17 10
1889-91	-	-	9 17 0	13 6 2
1890-92	-	-	8 17 6	11 19 2
1891-93	-	-	7 4 2	11 7 6
1892-94	-	-	7 3 4	11 4 2

These figures show that, although there have been fluctuations, the prices have ranged on a distinctly lower level since 1882-84. Comparing the average of the three years 1876-78 with 1892-94, there is a fall amounting to 25 per cent. in the case of shorthorn stirks and 24 per cent. in the two-year olds, while a comparison of the prices of 1882-84 and 1892-94 would show a fall of 36 per cent. and 28 per cent. respectively. In 1892 and 1893 shorthorn stirks averaged 6*l.* 12*s.* 6*d.* and two-year-olds 10*l.* 15*s.* 5*d.* per head.

Confirmatory evidence in the same direction is forthcoming from Lincolnshire, where Mr. Wilson Fox reports that cattle began to decline in price in 1882, and with few exceptions have declined ever since. He furnishes a statement of the prices obtained for cattle at the Lincoln Beast Fair, from which it would appear that yearlings and two-year-olds, which sold at a mean price of 11*l.* 10*s.* and 17*l.* 10*s.* in 1882-83, realised only 7*l.* and 13*l.* 15*s.* in 1893-94, while three-year-olds dropped from a mean of 26*l.* 10*s.* to 13*l.* in the same period. On a farm at Burwell, in the same county, the average prices realised for stock sold off in 1885-88 and 1891-93 show a fall in all classes of stock ranging from 20 to 30 per cent. Fox, Lincoln, par. 51.
Id., App. A. 5. A.

Furthermore, Mr. Hope states that in Roxburghshire the prices of store cattle were 16*l.* per head in 1882 and 13*l.* in 1892, while fat cattle in the same periods realised 25*l.* and 18*l.* respectively. Hope, Roxburgh, pp. 26-27.

163. In the case of sheep, it has been generally maintained that, in spite of some fluctuations, there has been on the whole a steady depreciation in the money value of this class of stock, both fat and store, since 1881-83.

Punchard,
15,072.
Broughton,
15,483.
Finney and
Osborne, 35,324.
Wilkinson, 31,328.
Stuart, 51,834.

Reviewing the oral testimony on the subject, we have gathered that the prevailing impression among flock masters has been that the fall amounted on the average to about 30 per cent., while from the information collected by our Assistant-Commissioners, which is summarised below, it would appear that the decline in prices of all classes of sheep has ranged from 20 to 30 per cent.

Fox,
Cumberland,
par. 39.

164. The changes during the 10 or 12 years ending with 1894 in the price of sheep in the north of England are strikingly shown by the average prices struck by the Teviotdale Farmers' Club, as set out by Mr. Wilson Fox in his Report on Cumberland. These averages for periods of five years since 1880 are given below:—

Years.	Top Cheviot Wedder Lambs.	Second Cheviot Wedder Lambs.	Mid Cheviot Ewe Lambs.	Shot Cheviot Ewe and Wedder Lambs.	Draft Hill Cheviot Ewes.	Draft Cheviot Ewes brought Half-bred Lambs.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1880-84 - -	16 1	12 10	18 9	9 10	34 4	30 6
1885-89 - -	14 4	11 2	15 7	8 9	26 4	24 5
1890-94 - -	12 8	9 8	13 7	7 4	22 11	21 11
1891-93 - -	10 9	7 11	12 1	5 10	19 10	19 5
Decrease per cent. between 1880-84 and 1890-94 -	21·2	24·7	27·6	25·4	33·3	28·1

The foregoing table shows a decline in price in all classes of sheep, ranging from 21 to 33 per cent. The prices of 1891-93 have been included as an illustration of the great fall which took place in those particular years. Mr. Wilson Fox, however, adds: "It is satisfactory to observe that in 1894 there was a general recovery in prices, and that they were in each class above the average of 1890-94."

Hope,
Roxburgh,
pp. 26-27.

Mr. Hope, in his report upon Roxburghshire, &c. states that store sheep fell from 40s. per head in 1882 to 30s. in 1892, and that fat sheep fell from 70s. to 50s. in the same period.

Fox,
Lincoln,
App. A. 5 B.

165. From a table in the report upon Lincolnshire we find that the average triennial prices per head obtained for sheep (exclusive of rams) at the Lincoln Sheep Fair between 1877 and 1894 have been as follows:—1877-79, 64s. 11d.; 1880-82, 62s. 5d.; 1883-85, 58s. 4d.; 1886-88, 51s. 11d.; 1889-91, 56s. 1d.; 1892-94, 49s. 11d. The extreme fall in prices at this market during the period referred to was from 70s. in 1878 to 45s. 7d. in 1893, or 35 per cent., but taking the triennial averages it will be seen that there has been a material decline, the slight rise in 1889-91 being due to the exceptional prices obtained in 1890.

Fream,
Maidstone,
App. VIII.,
p. 43.

According to a return of the prices of sheep at Maidstone annual fair between 1879 and 1893, lambs which sold at a mean of 27s. 11d. per head in 1879-81 realised 19s. 11d. in 1891-93; while for the same period tegs show a fall from a mean of 47s. 10d. to 36s. 10d., and ewes from 46s. 2d. to 28s.

Turner,
Frome, p. 9.

166. As regards the West of England, Mr. Turner has furnished us with an account of the sums obtained in Wiltshire, since 1888, by the annual sale of 500 cross-bred lambs, which shows that while in the three years 1888-90 the average annual amount realised was 1,091l. or 45s. 7d. per head, in 1891-93 it was only 747l. or 29s. 10d. per head, a fall of over 31 per cent. Further, in Mr. Rew's report on the Salisbury Plain district of Wiltshire, the prices of ewes are shown to have ranged from 49s. to 84s. between 1876 and 1882, while from 1884 to 1892 the prices realised were 37s. to 62s., a fall of about 25 per cent.

Rew,
Salisbury
Plain, App.
C. 1.

Agricultural
Returns, 1894,
p. 149, and
Journal of Board
of Agriculture,
Vol. II., p. 496.

167. We have thought it desirable to supplement the above statements by a reference to the official records of the quotations for British sheep at the Metropolitan

Cattle Market, which afford ample confirmation of the evidence before us in respect of the fall in the price of mutton, as will be seen from the following tables :—

I.—TRIENNIAL AVERAGE PRICES of BRITISH SHEEP per Stone of 8 lbs.

Years.	Inferior Quality.	Second Quality.	First Quality.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1876-78	5 5	6 5	6 11
1877-79	5 5	6 4	6 9
1878-80	5 5	6 3	6 9
1879-81	5 6	6 3	6 10
1880-82	5 9	6 6	6 11
1881-83	6 0	6 7	7 1
1882-84	5 11	6 6	6 11
1883-85	5 5	5 11	6 5
1884-86	4 9	5 6	6 0
1885-87	4 1	5 1	5 8
1886-88	3 8	5 0	5 8
1887-89	3 5	5 1	5 10
1888-90	3 9	5 4	6 2
1889-91	3 11	5 5	6 2
1890-92	4 0	5 3	5 11
1891-93	3 9	4 11	5 7
1892-94	3 8	4 11	5 7
1893-95	3 9	5 1	5 9

II.—TRIENNIAL AVERAGE PRICES of BRITISH SHEEP compared with the Average of 1876-78.

(1876-78 expressed as 100.)

Years.	Inferior Quality.	Second Quality.	First Quality.
1876-78	100	100	100
1877-79	100	99	98
1878-80	100	97	98
1879-81	102	97	99
1880-82	106	101	100
1881-83	111	103	102
1882-84	109	101	100
1883-85	100	92	93
1884-86	88	86	87
1885-87	75	79	82
1886-88	68	78	82
1887-89	63	79	84
1888-90	69	83	89
1889-91	72	84	89
1890-92	74	82	86
1891-93	69	77	81
1892-94	68	77	81
1893-95	69	79	83

If the averages for 1893-95 are contrasted with those for 1876-78 it will be observed that the depreciation in the price of mutton has amounted to about 20 per cent. in the first and second qualities and to 30 per cent. in the inferior.

168. We are not in possession of any reliable statistics as to the prices of British pork at different periods during the last 20 years. The Agricultural Returns give the average prices of imported pork, hams, and bacon. In the following table we give the triennial average prices under four different classes, with the mean prices for each period and the ratio of such prices to that of the first period of three years. This table shows a decline in mean value of nearly 10 per cent. There is reason to believe that the prices of British pork have decreased to a greater extent than those of imported pork.

Triennial Average Prices for Imported Pork (compiled from Agricultural Returns).

	PORK.		BACON.	HAMS.	Mean of Pork, Bacon, and Hams.	Triennial Average Mean Prices compared with the Average, 1876-1878.
	FRESH.	SALTED.				
	Per Cwt.	Per Cwt.	Per Cwt.	Per Cwt.	Per Cwt.	
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	
1876-1878	52 7	38 3	46 8	53 11	47 10	100.0
1877-1879	59 8	34 2	40 3	48 7	43 2	90.2
1878-1880	46 9	31 10	37 8	46 1	40 7	84.8
1879-1881	46 0	32 5	40 1	46 5	41 3	86.2
1880-1882	47 4	35 11	46 3	50 4	45 0	94.1
1881-1883	49 5	37 7	50 8	55 0	48 2	100.7
1882-1884	51 1	37 2	51 9	58 5	49 8	103.8
1883-1885	52 3	34 9	47 7	54 2	47 2	98.6
1884-1886	51 3	31 9	42 5	52 5	44 5	92.9
1885-1887	50 3	30 2	40 1	50 1	42 8	89.2
1886-1888	48 2	29 3	41 6	50 9	42 5	88.7
1887-1889	48 0	29 0	42 10	51 11	42 11	89.7
1888-1890	47 9	28 5	41 1	50 5	41 11	87.6
1889-1891	48 4	27 4	38 9	48 3	40 8	85.0
1890-1892	48 0	26 7	38 6	47 0	40 0	83.6
1891-1893	48 2	27 11	43 11	50 8	42 8	89.2
1892-1894	48 5	29 2	45 11	51 11	43 10	91.6
1893-1895	48 2	28 5	45 4	50 10	43 2	90.2

The following comparison of the prices of each class in 1893-95 with those of 1876-78 shows that there has been a great fall in the value of salted pork, and a very slight decrease in that of bacon :—

		Prices.		Decrease Per Cent.
		1876-78.	1893-95.	
		s. d.	s. d.	
Pork, fresh	- - - -	52 7	48 2	8·4
„ salted	- - - -	38 3	28 5	25·7
Bacon	- - - -	46 8	45 4	2·9
Hams	- - - -	53 11	50 10	5·7
Mean	- - - -	47 10	43 2	9·8

169. Sumarising the evidence, oral and documentary, at our disposal relating to the price of meat, we think we are justified in holding—

- (a.) That there has been a considerable depreciation in the price of fat cattle ranging from 25 per cent. in the best quality to 40 per cent. in the inferior, and that store cattle have participated, although to a lesser extent in this depreciation.
- (b.) That the price of store stock generally is affected by the supply of grass and roots and that the scarcity of these crops tended to enhance the fall in the prices of this class of stock in the season of 1892-93.
- (c.) That although the prices of mutton have been subject to somewhat greater fluctuations than those of beef, they have exhibited a marked decline since 1883, the difference in price being equivalent to a fall on the average of about 20 per cent. in the superior qualities, and of over 30 per cent. in the inferior grades.

WOOL.

170. A review of the oral evidence relating to wool shows that there has been a general acquiescence in the view that the price of this product has fallen quite 50 per cent. during the past 20 years, and this has been borne out by the details of prices brought before us by our Assistant-Commissioners, though some varieties of wool appear to have fallen even more than 50 per cent.

A witness from Cumberland stated that during the years 1860-76 black-faced wool averaged 11d. per lb., and during the 13 years ending with 1894 it realised on the average 6d. per lb. This statement was confirmed by a Scotch witness who estimated the fall in this class of wool at 50 per cent.

The price of Welsh wool appears to have fallen from 1s. per lb. in 1877-80 to 6½d. and 7d. per lb. in 1894.

Mr. Pringle furnishes a statement of the sums realised over a series of years for the wool clip on a farm in South Durham, which shows a difference between 1873 and 1894 of nearly 60 per cent., the price having been 29s. per stone in the former year as against 12s. in 1894.

According to Mr. Rew's report on North Devon, greasy Devon wool, which realised 12d. to 13d. per lb. in 1880, fell to 6½d. and 7d. in 1883, and has remained pretty stationary since.

171. A more striking illustration of the changes in the price of wool is, however, afforded by the following tables, which have been compiled from a collection of statistics contained in the reports upon Cumberland and Lincolnshire. These figures are particularly useful, inasmuch as they represent the triennial average prices of two typical varieties of wool during the past 20 years.

Giffen, 18,145.
Minutes of
Evidence,
Vol. II., p. 621.
Parker Norfolk,
61,013.
Drummond,
60,146.
Smith, 54,382.
Turnbull,
59,338.
Minutes of
Evidence,
Vol. IV., App.
A., XX.-14, p. 548.
Dobson,
13,095.
Campbell,
54,791.
Hughes,
55,673.
Roberts,
55,823.
Price, 59,624.
Pringle,
South
Durham,
p. 10.
Rew, North
Devon,
par. 16.

Fox,
Cumberland,
App. A. 1.
Fox, Lincoln,
App. A. 4.,
B. and C.

Average Price per lb.

Year.	Lincoln Wool.			North Country Wool.		
	Half Hogg.	Hogg.	Wether.	Half-bred Hogg.	Half-bred Ewes and Wethers.	White Cheviot.
	<i>d.</i>	<i>d.</i>	<i>d.</i>	<i>d.</i>	<i>d.</i>	<i>d.</i>
1874-76	19·42	21·2	17·29	19·87	17·66	16·54
1875-77	17·92	19·04	16·61	17·96	16·25	15·54
1876-78	16·33	16·87	15·46	16·04	14·75	14·58
1877-79	14·58	15·08	14·04	14·08	12·33	13·08
1878-80	14·42	14·70	13·71	13·66	12·54	12·79
1879-81	13·32	13·83	12·87	12·54	11·42	11·54
1880-82	12·90	13·33	12·50	12·79	11·75	11·62
1881-83	11·21	11·54	10·92	11·25	10·21	10·21
1882-84	10·42	10·75	10·08	10·75	9·79	9·62
1883-85	9·96	10·42	9·54	10·25	9·29	9·17
1884-86	9·96	10·42	9·50	10·62	9·62	9·29
1885-87	10·12	10·50	9·83	10·83	9·83	9·96
1886-88	10·29	10·50	10·17	10·92	9·92	10·29
1887-89	10·62	10·58	10·50	10·83	9·92	10·42
1888-90	10·79	11·08	10·50	10·58	9·50	10·04
1889-91	10·58	10·96	10·12	10·71	9·58	10·21
1890-92	9·83	10·12	9·50	10·29	9·08	9·92
1891-93	9·58	9·87	9·33	10·0	8·96	9·67
1892-94	—	—	—	9·9	8·96	9·37

The above table indicates on the whole a progressive decline of upwards of 50 per cent. in the prices of four of the varieties mentioned, and of over 40 per cent. in Lincoln wether and white cheviot; but a comparison of the single years 1874 and 1894 would show an even greater fall.

In the case of another well-known variety, viz.: Southdown, we have had recourse to the official returns published by the Board of Agriculture, and here also we find a difference of 50 per cent. between the prices of 1873 and the mean price of 1895.

Agricultural Returns, 1894, p. 154, and Journal of Board of Agriculture, Vol. II., p. 507.

DAIRY PRODUCE.

172. The persistent tendency towards depreciation which has characterised the prices of grain, meat, and wool, during the period under review, has been no less manifest in the case of dairy produce.

In the statement handed in by Sir Robert Giffen, the changes between 1874 and 1891 in the prices of milk, butter, and cheese as a whole, have been calculated to amount to a fall of 33 per cent.

Other witnesses have estimated the reduction at from 25 to 33 per cent. There has undoubtedly been a considerable further fall since 1891.

Minutes of Evidence, Vol. II., p. 621.
Parton, 28,005.
Sheldon, 21,548.

173. With respect to milk, it would appear that in districts within easy access of a large town, where there is a demand for milk, the reduction in price has been less marked than in the more remote country districts where the article has to be sold in the manufactured form of butter and cheese in competition with similar products imported from abroad.

Mr. Pringle reports that among dairy farmers in Essex the depreciation of milk in the London market is indicated as the chief cause of the depression in their branch of trade. From a statement handed to him, the fall in the average price per barn gallon between 1882 and 1892 did not exceed 11 per cent., while, according to Mr. Spencer, in the Vale of Aylesbury milk has fallen about 15 per cent. from the highest point.

Pringle, Essex, p. 64.

Spencer, Vale of Aylesbury, p. 23.

On the other hand, a witness from the south-west of Scotland stated that the returns from milk at the creameries have been reduced almost to the vanishing point owing to the fall in the price of butter, the raw material realising not more than 4*d.* per imperial gallon and bearing at the same time the cost of carriage.

Drew, 53,719, 53,720.

Similar evidence is forthcoming from the west of England, where the price of milk is said to have fallen equally low.

Hall, 44,106.

174. In the case of butter, several witnesses have expressed the opinion that there has been a depreciation of 15-30 per cent.

Sparkes, V Minutes of Evidence, p. 634.
Drew, 53,720.
Finney and Osborne, 35,731.

Minutes of Evidence, Vol. IV., p. 548.
Hughes, 55,588, Vol. IV., Minutes of Evidence, p. 538.

Statements have also been put before us of the prices realised between 1876 and 1894 for English butter at Kirby Lonsdale Market, and of the prices of Welsh tub butter during the same period, the former showing a fall from 17½d. to 1s. per lb., and the latter from 15d. to 10d. per lb.

We are not disposed to regard these statements as typical of the decline in the price of butter generally. The sale of home-made butter appears to be limited, and the local prices cannot always be taken as a standard for the whole of the country.

Statistical Abstract of United Kingdom, 1895, p. 148.

On reference to the official records of the declared value of British and Irish butter exported, we find that between 1876-78 and 1892-94 there has been a reduction of about 16 per cent., but here also we have to take into account the fact that the quantities dealt with are small.

With the materials at our disposal it is therefore difficult for us to appreciate exactly the extent of the decline in the price of butter. The estimates contained in the evidence point to a reduction ranging from 16 to 33 per cent., and it is probable that the depreciation generally has amounted to something like the mean of these two extremes.

Finney and Osborne, 35,327.
Hall, 44,105.
Sheldon, 21,544.
Parton, 26,215.
Dickie, 52,371.
Spencer, Oxford, pp. 34 and 35.

175. In the case of cheese there has been less divergence of opinion, and it seems to be generally agreed that the price of this article has fallen about 25-30 per cent.

OTHER PRODUCTS.

176. In the preceding paragraphs we have dealt with the fall in prices of the staple products of the three principal branches of farming.

Other agricultural products to which our attention has been directed in this connexion are potatoes and hops.

Fergusson, 23,299.
Cooke, 22,013.
Foxwell, 23,537.
Minutes of Evidence, Vol. II., Appendix XII., p. 638.
Finn, 56,732.
56,797.
Powell, 61,770.
Calculated from the figures in the Annual Statements of Trade.

177. As regards the former, it has been held by some witnesses that there has been a depreciation of about 30 per cent. in the price of potatoes during the past 15 or 20 years, and this view is confirmed to a large extent by Mr. Sauerbeck's table of the course of prices, in which good English potatoes are shown to have fallen from an average of 5l. 2s. per ton in 1878-87 to 3l. 17s. in 1884-93; a decline of 25 per cent. Since then prices have occasionally fallen to 30s. or even less.

178. The low prices recently prevailing for hops are stated to have entailed serious losses on hop growers in Kent and other counties. According to the official returns published by the Board of Trade, the average annual prices of British hops exported since 1881 has been as under:—

Price per cwt.		Price per cwt.		Price per cwt.	
	£ s.		£ s.		£ s.
1881 -	- 5 9	1886 -	- 3 7	1891 -	- 8 0
1882 -	- 10 0	1887 -	- 4 0	1892 -	- 7 2
1883 -	- 10 3	1888 -	- 5 8	1893 -	- 6 9
1884 -	- 6 2	1889 -	- 5 0	1894 -	- 4 9
1885 -	- 5 7	1890 -	- 8 0	1895 -	- 3 7

The above are the only official records of the prices of home-grown hops for a series of years to which we have access, and although they are based on the declared value of comparatively small quantities, they may be taken as a rough indication of the changes which have occurred in the prices of English hops between the years mentioned. It may be observed that in the report of the Select Committee on the Hop Industry, the price of hops is described as having been unprofitably low for several years prior to 1889, and the evidence before us has been to the effect that in recent years the price has again fallen to an unprofitable level.

Report of Select Committee on Hop Industry, 1890, p. vi.

CONCLUSIONS.

179. Summarising briefly the facts demonstrated in the foregoing paragraphs, we have arrived at the following general conclusions:—

- (a.) That the changes in the prices of grain during the past 20 years represent a fall of over 40 per cent. in the three staple cereals, and of over 50 per cent. in the case of wheat.

- (b.) That in the price of beef there has been in the same period a fall ranging from 24 to 40 per cent. according to quality.
- (c.) That the prices realised for mutton since 1882-84 have exhibited a progressive decline of from 20 to 30 per cent.
- (d.) That there has been a fall in the price of wool amounting to upwards of 50 per cent. during the past 20 years.
- (e.) That dairy produce has participated in this depreciation, and that, taking the changes in the prices of milk, butter, and cheese as a whole, there has been a fall approaching 30 per cent.
- (f.) That the fall in the staple products already referred to has been accompanied by a decline of at least 20 to 30 per cent. in the price of potatoes.
- (g.) That although there have been fluctuations in the prices of hops, they have exhibited in recent years a general tendency to fall to an unprofitable level.

180. One of the gravest features of the depreciation which has been so manifest in the course of prices of agricultural products during the period under review has been its persistency.

181. We have now reviewed the whole of the evidence before us in relation to the changes in prices.

It has been our object to eliminate, as far as possible, all exceptional circumstances which may have affected the evidence in one direction or another, in order to obtain as accurate a view as possible of the situation.

To this end we have avoided, so far as we have been able, instituting comparisons between the prices now prevailing and those of 1871-74, which are sometimes regarded as having been exceptionally high.

We have also contrasted the average prices of several years in preference to the prices of single years, with a view to diminish the effects of any inequalities of season or otherwise which may have influenced the prices of a particular year.

182. We have no hesitation in expressing our entire concurrence in the opinion that the present crisis in agriculture is due primarily to the fall in prices.

CHAPTER II.

Foreign Competition.

see p. 85 for summary

183. It is the opinion of many of the witnesses* we have examined that the fall in prices has been directly connected with the increase of foreign competition. We have therefore considered it desirable to review briefly the main characteristics of the import trade in agricultural produce during the past twenty years. In dealing with this subject we have for convenience arranged the following paragraphs under the heads of cereals, meat, wool, dairy products, and other kinds of agricultural produce.

* Simpson, 16,800, 16,866-8; Lopes, 17,047, 17,154-9; Rowlandson, 17,426; Pell, 17,703-4, 17,774-81; Lipscomb, 20,692-7; Sparkes, 21,051-2; Sheldon, 21,540-1; Ralston, 24,871; Edwards, 25,117, 25,332-5; Parton, 26,008-14, 26,099-101; Bell, 26,287-8; Bear, 27,488-90, 27,524, 27,528, 27,555, 27,704; Scott, 30,021, 30,315-6; Finney, 35,561-3; Brown, 35,690-4, 35,795-6; Pears, 36,219; Collins, 37,198-9; Oliver, 37,427-9, 37,433-4; Treadwell, 39,855-62; Looker, 41,268; Adams, 41,908-12; Hall, 44,069, 44,106, 44,109-11, 44,148-53; Woodward, 44,556-60; Spencer, 46,618-26; Speir, 47,044-5; Baker, 47,241, 47,314-5; Wilson-Fox, 49,495-502, 61,311, 61,316-7; Hughes, 50,357-8, 50,369-70; Dickie, 52,340; Elliot, 52,450-1; Gordon, 52,650; Flockhart, 52,761-73; Dun, 53,329-35; Gibson, 53,653-1; Drew, 53,716-8, 53,844-55; Campbell, 54,790; Rutherford, 55,026-9; Roberts, 55,835-6, 55,856, 55,858; Finn, 56,670; Dutfield, 58,692; Davies, 58,926; Kirby, 60,574, 60,635-6, 60,639-44; Norfolk, 60,997.

CEREALS.

184. As regards the importation of cereals, some useful tables have been put before us by the Board of Trade, showing the quantities of wheat, barley, and oats imported into the United Kingdom between 1874 and 1893. From these statistics, supplemented by the later details for 1894 and 1895, we have compiled the following statement, showing the average annual gross imports in periods of three years, together with the declared value of such imports, as given in the Customs Returns:—

Average Annual Gross Imports of Wheat, Barley, and Oats.

Years.	Wheat and Wheat Flour, in equivalent Weight of Grain.		Barley.		Oats.	
	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.
	Cwts.	£	Cwts.	£	Cwts.	£
1875-77 - -	58,314,000	33,665,000	11,261,000	4,593,000	12,186,000	5,007,000
1878-80 - -	67,051,000	37,839,000	12,470,000	5,119,000	13,358,000	4,663,000
1881-83 - -	79,062,000	43,153,000	13,936,000	5,113,000	13,033,000	4,463,000
1884-86 - -	72,088,000	29,980,000	14,011,000	4,238,000	13,155,000	4,139,000
1887-89 - -	79,856,000	31,316,000	17,649,000	4,932,000	16,408,000	4,186,000
1890-92 - -	89,175,000	36,472,000	16,140,000	5,080,000	14,996,000	4,798,000
1893-95 - -	99,257,000	29,264,000	25,902,000	6,135,000	14,821,000	3,974,000

Wheat.

185. Dealing in the first instance with the statistics relating to the importation of wheat, we find from the foregoing statement that the average annual gross imports of this cereal, in the form of grain and flour, have increased by over 70 per cent. in the last twenty years. But this great augmentation in the supply of foreign wheat has been accompanied by a diminution in the value of the article to the extent of 50 per cent. ; a fall nearly equal to that which has occurred in the price of British wheat during the same period. The relative changes which have taken place in the prices of the home-grown and the imported wheat may be seen from the following comparison of the average value of the wheat imported from all sources, and the prices of British wheat as published under the Corn Returns Act:—

Year.	Average Annual Price of British Wheat per Quarter of 480 lbs.		Average Annual Value of Imported Wheat per Quarter of 480 lbs.		Year.	Average Annual Price of British Wheat per Quarter of 480 lbs.		Average Annual Value of Imported Wheat per Quarter of 480 lbs.	
	s.	d.	s.	d.		s.	d.	s.	d.
1875-77 -	49	4	47	11	1885-87 -	32	1	32	11
1876-78 -	49	9	48	5	1886-88 -	31	9	32	8
1877-79 -	49	0	48	8	1887-89 -	31	4	32	11
1878-80 -	44	10	46	7	1888-90 -	31	2	33	1
1879-81 -	44	6	46	8	1889-91 -	32	11	34	10
1880-82 -	44	11	46	10	1890-92 -	33	1	34	9
1881-83 -	44	0	45	0	1891-93 -	31	2	32	11
1882-84 -	40	9	41	3	1892-94 -	26	6	27	1
1883-85 -	36	8	37	3	1893-95 -	24	1	24	9
1884-86 -	33	2	34	0					

It is to be noted that rather more than one half of the total increase of 40,943,000 cwts. in the imports occurred between the years 1875 and 1883, and that during that time the price of wheat had only fallen from 47s. 11d. to 45s.

186. In the following table the averages of the annual prices per imperial quarter of British wheat and of wheat imported from certain countries, are contrasted for periods of three years since 1888 :—

Description.	1888-90.	1889-91.	1890-92.	1891-93.	1892-94.	1893-95.	Average.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
British wheat -	31 2	32 11	33 1	31 2	26 6	24 1	29 10
Imported wheat from—							
Argentina -	31 8	33 10	34 0	32 3	26 10	24 2	30 5
Roumania -	33 1	34 4	33 1	30 7	25 10	23 10	30 1
Russia, Northern Ports	30 2	34 9	34 2	32 11	26 7	24 6	30 6
" Southern Ports	28 7	34 4	33 3	31 1	25 9	23 7	29 5
United States, Atlantic	33 5	35 5	35 6	33 4	28 2	25 4	31 10
" " Pacific	34 3	36 5	36 6	34 8	29 5	25 11	32 10
British India -	32 2	33 6	34 0	32 7	28 1	24 9	30 10
" North America	34 6	36 0	35 3	32 10	27 9	25 9	32 0

187. In order to ascertain as far as possible the relation of the imports of foreign wheat to the total supply available for consumption in the United Kingdom, we have prepared the statement below, which shows the estimated average annual quantity of wheat produced in the United Kingdom, together with the net imports of that cereal in successive triennial periods since 1873-75. The quantities available for consumption from the home production are based on the assumption that in a given year the proportion of home-grown grain entering into the total supply would be one-third of the crop of that year and two-thirds of the crop of the previous year.

Minutes of Evidence, Vol. I., p. 445, Vol. II., p. 646, and Agricultural Returns.

Period.	Average Annual Acreage.	Average Annual Supply from Home Production (including Seed).	Average Annual Imports less Exports of Wheat and Flour in Grain.	Average Annual Total Supply.	Proportion per Cent. of Net Imports to Total Supply.	Average Annual Supply per Head of the Population (including Seed).
	Acres.	Qrs.	Qrs.	Qrs.		Bushels.
1873-75	3,671,704	11,947,000	12,191,000	24,138,000	50·50	5·94
1874-76	3,489,732	11,554,000	12,288,000	23,842,000	51·54	5·80
1875-77	3,319,831	11,087,000	13,393,000	24,480,000	54·69	5·90
1876-78	3,275,702	10,710,000	13,290,000	24,000,000	55·39	5·72
1877-79	3,253,064	10,851,000	14,927,000	25,778,000	57·90	6·08
1878-80	3,168,008	9,825,000	15,257,000	25,082,000	60·83	5·85
1879-81	3,029,794	9,028,000	16,181,000	25,209,000	64·19	5·83
1880-82	3,065,617	8,649,000	16,767,000	25,416,000	65·97	5·82
1881-83	2,948,080	9,613,000	18,127,000	27,740,000	65·35	6·30
1882-84	2,875,923	9,779,000	17,776,000	27,555,000	64·51	6·22
1883-85	2,672,320	10,002,000	17,944,000	27,944,000	64·20	6·26
1884-86	2,553,858	9,801,000	16,490,000	26,290,000	62·72	5·84
1885-87	2,432,834	9,294,000	17,558,000	26,852,000	65·39	5·92
1886-88	2,471,212	9,066,000	17,420,000	26,486,000	65·77	5·79
1887-89	2,533,431	9,094,000	18,391,000	27,485,000	66·91	5·96
1888-90	2,565,456	9,439,000	18,576,000	28,015,000	66·30	6·03
1889-91	2,473,463	9,436,000	19,262,000	28,698,000	67·12	6·12
1890-92	2,391,482	9,233,000	20,521,000	29,754,000	68·97	6·30
1891-93	2,215,355	8,465,000	21,383,000	29,848,000	71·64	6·26
1892-94	2,075,022	7,573,000	21,955,000	29,528,000	74·35	6·15
1893-95	1,794,612	6,869,000	22,896,000	29,765,000	76·92	6·14

188. Speaking broadly, it would appear from the information at our disposal that one of the characteristic features of our wheat supply has been the progressive displacement of the home-grown cereal by imported grain, a process which, during the last 20 years, has been concurrent with a fall in the price of wheat in our markets and a persistent shrinkage of the area under that crop in the United Kingdom.

189. In view of the significant fact that at the present time about 75 per cent. of the total supply of the staple bread-cereal of this country is of foreign origin, it has appeared to us desirable to ascertain what changes, if any, there have been in the sources whence this increasing volume of imported grain is obtained. We have

therefore estimated the per-centage of wheat (including wheat meal and flour expressed in the equivalent weight of grain) imported from various countries into the United Kingdom in periods of three years since 1875, with the following results:—

Per-centage of Wheat (including wheat meal and flour expressed in equivalent weight of grain) imported from different countries into the United Kingdom in triennial periods from 1875 to 1895.

Countries.	1875-77.	1878-80.	1881-83.	1884-86.	1887-89.	1890-92.	1893-95.
Russia - - -	16·7	10·0	11·5	9·9	20·4	14·4	16·6
Other European countries.	20·8	11·5	10·7	9·5	11·2	7·4	4·7
United States - -	41·3	61·1	55·3	53·5	47·3	51·6	50·3
Canada - - -	5·7	6·4	3·7	4·1	4·3	4·7	5·2
India - - -	6·1	2·9	11·4	14·4	10·8	12·9	6·8
Argentina - - -	—	—	—	—	—	3·3	11·0
Other countries -	9·4	8·1	7·4	8·6	6·0	5·7	5·4
	100·0	100·0	100·0	100·0	100·0	100·0	100·0

It will be seen that the United States has been the chief source of supply throughout, contributing upwards of 50 per cent. of the total importation; Russia and India have supplied between 23 and 25 per cent., while a new competitor has appeared in Argentina, whence we received 11 per cent. of the imports of 1893-95.

190. With respect to the dominant position hitherto occupied by American grain in the wheat supply of this country some reference may be made here to the evidence given to us relating to the competition of the United States.

From a memorandum put before us by the Board of Agriculture,[†] it would appear that the area under wheat in the United States has on the whole diminished, notwithstanding a large increase in the population of that country.

Major Craigie, in referring to this decline in the acreage, stated that comparing the census figures of 1880 and 1890 it amounted to nearly two million acres. Taking the figures published by the Agricultural Department at Washington for 1880-2 and 1893-5, the wheat area would appear to have dropped from an average of 37,600,000 acres in the former period to about 34,500,000 acres in the latter. On this point, however, Major Craigie is of opinion* that with an improvement in price a good deal of the land which formerly carried wheat might be again put under that crop.

191. One feature of wheat farming[†] in the United States to which reference has been made by the Board of Agriculture is the steady expansion of the area under the crop in the comparatively newly settled states and territories in the west and its contraction in the older settled central and eastern states. This change may be followed in the table below.

Year.	Western States.	Central States.	Eastern States.
	Acres.	Acres.	Acres.
1880 -	6,500,000	23,250,000	5,500,000
1890 -	12,000,000	17,000,000	4,500,000

192. In connection with this extension in the west, which has taken place mainly in North and South Dakota, California, Oregon, and Washington, our attention has been directed to certain passages in a report upon the agriculture of the United States, transmitted to us by the Foreign Office, describing a system of cultivating wheat on immense farms under one management, which is said to be common in several of the Western and Pacific States. It is held that on these large farms machinery can be used within the closest limits of economy, and labour can be applied to the best

* Craigie, 40,268.

† Craigie, 40,106 *et seq.*

Minutes of Evidence, Vol. III., App. A. XXI., page 512. Craigie, 40,115.

Minutes of Evidence, Vol. III., App. A. XXI., page 512, and Journal of Board of Agriculture, 1896.

Minutes of Evidence, Vol. III., App. A. XXI., page 512.

Craigie, 40,106.

advantage. The economic results of wheat farming under these conditions are set forth in the following extracts from the report:—

“This method of farming has brought the cost of producing wheat down to about 35 cents (1s. 5d.) per bushel on an average yield in two States, North Dakota and South Dakota. The crop in 1889, which was below an average crop year there, yielded nearly 43,000,000 bushels (42,929,583 are the census estimates first published and subject to correction) of wheat, nearly 10 per cent. of the total wheat crop of the whole country, and of this amount at least 30,000,000 bushels were surplus thrown on the market, an amount equal to more than one-fifth of the average annual exportation of wheat, including wheat flour.”

* * * * *

“Under the old methods of farming in California the cost of producing an acre of wheat was from 5 dollars (1l.) to 6 dollars (1l. 4s.), while now it is done for half that amount, and the cost of producing a bushel of wheat has been reduced accordingly to about 22 cents (11d.) on an average crop.”

* * * * *

“In 1889 California produced over 40,000,000 bushels of wheat, of which at least 30,000,000 bushels were exported. This amount added to the produce of Dakota gives a total of 60,000,000 bushels of surplus wheat, that is, more than two-fifths of the average annual export of the United States.”

193. Major Craigie in the course of his evidence referred to an inquiry made by the Department of Agriculture at Washington into the cost of cultivating wheat in America, which showed an average ranging from 45s. per acre in the Western States to 84s. per acre in the Eastern States; in South Dakota the cost was put as low as 35s. 8d. per acre with a yield of 16 to 17 bushels. Comparing these estimates with the cost of production in this country, this witness said: “It would appear from these figures, if the figures may be believed, that you can grow wheat in South Dakota for about 70s. which costs about 6l. or 7l. here.” Craigie, 40,308, 40,322, 40,323.

Mr. W. J. Harris estimated the net advantage to wheat growers in Western America and Australia over producers in the United Kingdom at 40s. per acre, making allowance for the differences in yield, cost of freight, and other charges. He added that his investigations had led him to the conclusion that wheat could be grown in California and exported to England at a net cost of 23s. or 24s. per quarter to the producer, including freight, insurance, cost of bags, and carriage from the farm to the shipping port, while in Manitoba a quarter of wheat could be produced and delivered in England at an inclusive net cost to the grower of 21s. 6d. Harris, 3438, 4760.

194. It is important to note that the extension of arable farming in the West has been concurrent with a heavy fall in the value of the wheat exported from the United States, and that in spite of this fall there has been practically no decline in the quantities of grain consigned from that country to the United Kingdom. The evidence at our disposal does not enable us to say how far the maintenance of the exports of wheat may be due to exceptionally good harvests in favourable seasons, and how far to the transfer of the growth of wheat from the exhausted to virgin soils. Minutes of Evidence, Vol. III., App. A., XXI. Craigie, 40,116.

195. As to the possible duration of the American competition in its present severity, Mr. Gough, of Her Majesty's Legation at Washington, reports as follows:—

“The British agriculturist must probably in the future reckon with the same competition as heretofore in wheat, meat, and dairy produce. If anything, the competition would appear likely to become more severe, as either the cost of production will continue to decrease in the same way as hitherto, or, should the United States change their currency basis from gold to silver, the cost of produce will be reduced when paid for in gold.”

Mr. Atkinson, a witness from Boston (Mass.), is of opinion that the American supply of wheat to this country will be maintained so long as the price is at or about 25s. per quarter in London, while with a rise to 30s. per quarter he would expect to see an enormous increase in the supply. On the other hand, Mr. John Clay, junior, of Chicago, when asked as to the continuance of the competition of the American wheat growers, said: “It may go on for a year or two, but it is merely the blood out of these men. They cannot go on for all time. Of course we can produce wheat very cheaply, because we have such advantages in a new country like America.” He added that the Atkinson, 33,163, 33,165. Clay, 8201, 8190.

Clay, 8206-7, 8342-3.

Read, 16,071.
Pell, 17,768.

competition could not be maintained at the prices prevailing in February 1894, when British wheat was selling at an average price of 25s. per quarter.

Messrs. Pell and Read, who reported upon the condition of agriculture in the United States to the Agricultural Commission of 1882, are also of opinion that the American competition in wheat cannot continue much longer in its present intensity.

196. Turning next to Russia, which is the second largest contributor to the wheat supply of the United Kingdom, we learn from a report prepared in March 1895 by Mr. O'Beirne, formerly of Her Majesty's Embassy at St. Petersburg, that, low prices notwithstanding, Russia's wheat-growing area and wheat crop have during the past few years alike been on the increase, and her wheat export shows a tendency in the same direction. "The inference is," he says, "that, if prices fall no lower,* the production and export will tend to increase further. There is abundant room for an increase of yield in two distinct directions; agricultural methods may be much improved, and fresh areas of fertile soil may be brought under the plough. But progress in either of these directions must necessarily be very gradual; and we may therefore conclude that the growth of production and exports will be extremely slow."

Harris, 3447, 4791, 4880, 4986.

In the opinion of Mr. Harris the export of wheat from Russia has been stimulated by the depreciation of the paper rouble.

Taylor, 49,965-9.
Brett, 42,292.
43,345-8.
Atkinson, 32,484-6.
Elliott, 38,103-6.

197. Several witnesses have directed our attention to the comparatively rapid development of Argentina as a wheat-exporting country. In the three years 1890-92 our average annual imports of wheat from this source did not exceed 2,900,000 cwts.; in 1893 they amounted to 7,860,000 cwts., in 1894 to 13,284,000 cwts., and in 1895 to 11,400,000 cwts.

The remarkable progress of the Argentine wheat-growing industry is dealt with in a report drawn up for this Commission by Mr. Peel, second secretary to Her Majesty's Legation at Buenos Ayres. He says: "Her capacity to produce wheat may be almost said to have taken the world by surprise. It is comparatively but a short time ago that little or no consideration was given to the marvellous fertility of her soil, and to the great advantages she would naturally have over other countries in her large level plains, in the variety of her climate, in the absence of forests and other obstructions, and in her proximity to the sea-board and navigable rivers. One has to look back no further than 15 years to find that the area of cultivation did not amount to more than 180,000 acres, and that, inasmuch as wheat figured amongst the articles of necessity, she was obliged to import to the extent of 177,000 tons. But since that period agriculture has crept on apace, until the area cultivated is now said to stand at 15,000,000 acres. And if the statement of Mr. Fleiss, who from time to time was appointed as an expert and official reporter, both on behalf of the National and Provincial Governments, is correct, it appears that out of a total of 1,212,600 square miles, there are some 240,000,000 (375,000 sq. miles) acres suitable for the purpose of production of wheat."

Journal of Board of Agriculture, December 1894 and June 1895.

198. It is to be observed, however, that the foregoing figures relating to the area available for cultivation are reported to be not altogether reliable, and they can be regarded only as approximate estimates. But a striking illustration of the development of the wheat-growing industry in Argentina is afforded by the following statistics of exports of grain from that country since 1889:—

Year.						Quantity.
						Cwts.
1889	-	-	-	-	-	456,000
1891	-	-	-	-	-	7,900,000
1892	-	-	-	-	-	9,400,000
1893	-	-	-	-	-	20,160,000
1894	-	-	-	-	-	32,160,000

199. Several calculations of the cost of production in Argentina have come under our notice. Mr. Gastrell, Her Majesty's Vice-Consul at Buenos Ayres, estimated it to be about 1s. 5d. per bushel in 1893, and this agrees with a calculation published in a later report by Mr. Findlay, of Her Majesty's Legation in that city.

* The average price of British wheat in March 1895 was 19s. 11d.

Mr. Peel, in discussing this question, says:—

“No other country in the world can produce a quarter of wheat more cheaply. The actual cost of producing and delivery at station, together with the hiring expenses of a family, bags, thrashing, and cartage, may perhaps be set down in a good year at about 9s. a quarter. These estimates, of course, vary, but the prospects which the country thus affords of flooding Europe with wheat at such figures, and driving her competitors out of the market, is nowhere more carefully considered than in the United States. The *Journal of Commerce* of New York has lately published a statement prepared by well-known merchants in Rosario, concerning the actual cost of production of wheat in certain provinces of Argentina, and of shipping it to Argentine ports. One of these relates to the experience of a farmer residing in the province of Santa Fé. His estimate is based on a yield of about 13 bushels per acre. It is shown that the cost of wheat delivered at the port of Rosario is 35 c. a bushel, or between 11s. and 12s. a quarter. This includes seeds, bags, all agricultural work, the provincial wheat tax, ground rent, cartage to railway, railway charges and other items, the cost of transportation to Rosario being 20 per cent. of the whole. Upon this basis anything in excess of 35 c. received from the exporter was grower's profit. A crop of only 13 bushels per acre was, however, a very small one, the average having been more than 20 bushels; with that average, of course, the cost of production was less than 35 c. The price of land in the neighbourhood of this farmer's wheatfield appears to have been about 1*l.* per acre. The other statement puts the cost of production rather higher, at 37 c. and 41 c. per bushel, or between 12s. and 13s. per quarter.”

200. Evidence to a similar effect has been given to us by a witness from Argentina, who expressed the opinion that it would pay the Argentine grower to export wheat to this country to be sold at 18s. per quarter, although he admitted that the inducements to grow wheat at that price were not so great as they have been in the past, especially in the older colonies.

Brett, 43,018.
43,030, 43,055
43,059, 43,061
43,065, 43,300.
Taylor, 50,136.
56,141.

201. Some of the witnesses we have examined have expressed the opinion that the competition of Argentina has largely influenced the course of prices of wheat in the United Kingdom in the last two or three years, and is likely to continue to do so, and they maintain that this competition has been favoured by the depreciation of the Argentine paper currency.

Taylor, 49,968.
Brett, 43,093,
43,201,
43,207.
Harris, 3447, 4880.

The position is summed up in the report transmitted to the Foreign Office in the following words:—

“With regard to the agricultural condition of the Argentine Republic, it may be said that the farmer can grow wheat at a profit to sell in London at 20s. per quarter; that he is enabled to do this in consequence of the high premium on gold; that were the price of wheat to fall any lower, or the premium on gold to drop, he would have to turn his attention to cultivating other more profitable produce. Moreover, were the country in a position to command more capital and more labour, the cost of production might be lower. As it is, owing to the absence of any remedial measures to meet the depression arising from the fall in prices, the farmer has no other course but to increase his production, and thus make up in quantity what is lost in value.”

202. It is also maintained that the depreciation of the gold value of the rupee has enabled the Indian wheat-grower to continue to place his wheat on the British market without loss to himself, notwithstanding the fall in the price of that grain.

Foxwell, 23,687–700.
Harris, 4771
et seq.

Barley.

203. Turning next to barley, we find that prior to 1893 the imports of this grain had certainly exhibited a tendency, with some fluctuations, to increase, but the expansion was not remarkable. In 1893, however, the Trade Returns showed an importation of nearly 23 million cwts. of barley, as compared with an annual average of 16 million cwts. in the previous three years. In the following year the foreign supply rose to 31 million cwts., and last year it amounted to 23½ million cwts. There is only one other year in which the imports of this cereal have exceeded 20 million cwts., viz., 1888, when 21 million cwts. were received. A closer investigation of the circumstances connected with the imports of foreign barley in 1893 and 1894 would appear to show that the large supplies of those years were influenced to a considerable extent by the effects of the drought of 1893.

The imports of the first six months of the year last mentioned were not very much in excess of those of the corresponding periods of the two previous years, the actual

receipts having been 6,434,000 cwts., as compared with 5,097,000 cwts. and 5,908,000 cwts. in 1892 and 1891 respectively. But in the last six months of 1893 the imports amounted to 16,400,000 cwts.; in the following half-year 14,261,000 cwts. were imported, and in the last six months of 1894 the imports amounted to 16,980,000 cwts., making a total importation for that year of 31,241,000 cwts. The bulk of the large supply of 1894 consisted of Russian barley of an average value of 13s. 1d. per quarter.

204. An approximate view of the relation of the net imports of barley to the total supply of that grain available for all purposes in the United Kingdom may be obtained from the table below, which shows the average annual supply from all sources for periods of three years since 1885. In estimating the amount of home-grown barley entering into the annual supply it has been assumed, as in the case of wheat, that the quantity available in a calendar year would be made up of one-third of the crop harvested in that year and two-thirds of the production of the previous year.

Periods.	Average Annual Acreage.	Average Annual Supply from Home Production.	Average Annual Net Imports.	Average Annual Total Supply available for all Purposes.	Per-centage of Net Imports to Total Supply.
		Qrs.	Qrs.	Qrs.	
1886-88	2,309,171	9,594,000	4,580,000	14,174,000	32·3
1887-89	2,270,746	9,233,000	4,924,000	14,157,000	34·8
1888-90	2,286,090	9,284,000	5,151,000	14,435,000	35·7
1889-91	2,297,505	9,655,000	4,792,000	14,447,000	33·2
1890-92	2,265,709	9,825,000	4,500,000	14,325,000	31·4
1891-93	2,249,194	9,678,000	5,079,000	14,757,000	34·4
1892-94	2,239,002	9,247,000	6,360,000	15,607,000	40·8
1893-95	2,280,392	9,194,000	7,231,000	16,425,000	44·0

The influence of the droughty season of 1893 on the foreign supply, to which attention has already been directed, is very apparent in the figures shown in the above table. But omitting the years affected by the exceptional circumstances of that season there would seem to have been since 1885 no development of foreign competition in the barley trade of this country, so far as concerns the volume of imported grain.

205. Taking the average annual imports of barley in successive three-year periods since 1875, the proportion per cent. of the total supply contributed by Russia and other countries has been as under :—

Countries.	1875-77.	1878-80.	1881-83.	1884-86.	1887-89.	1890-92.	1893-95.
Russia	16·6	23·5	25·7	40·5	50·7	41·0	59·6
Turkey, Roumania, and Bulgaria.	33·1	16·6	34·3	25·5	21·9	30·8	22·5
Other European countries.	41·8	51·1	35·7	25·2	21·7	11·8	7·3
Extra European countries.	8·5	8·8	4·3	8·8	5·7	16·4	10·6
	100·0	100·0	100·0	100·0	100·0	100·0	100·0

From the foregoing statement it will be seen that nearly the whole of the barley imported into the United Kingdom is shipped from the Continent, and that in the last ten years Russia has been credited with upwards of 50 per cent. of the total foreign supply. This increase in the receipts of Russian barley has been practically a progressive one during the past 20 years, and it has been accompanied by an almost corresponding decline in the aggregate imports from Germany, France, and Scandinavia which are included with Austria (whence the supplies were insignificant until after 1882) under the heading of "Other European countries" in the above statement.

206. An examination of the declared values of the barley received from various countries shows that the average value of the Russian grain, which constitutes so large a proportion of the total importation, has been lower, as a rule, than that from any other country, the difference in 1894 having amounted to as much as 16s. per quarter. Some idea of the relative value of the better kinds of imported barley may be obtained from the following comparison of the average value per quarter of 400 lbs., of this

grain imported from certain countries with the price of British barley as ascertained under the Corn Returns Act :—

Description.	1888-90.	1889-91.	1890-92.	1891-93.	1892-94.	1893-95.	Average.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
British barley -	27 5	27 7	27 8	26 8	25 5	24 0	26 5
Imported barley—							
Austria -	29 5	30 6	30 6	28 9	27 7	27 2	29 6
Holland -	29 2	28 10	29 10	29 9	29 6	27 11	29 2
Germany -	27 11	28 10	29 6	28 9	27 6	26 4	28 2
France -	27 10	28 2	27 10	27 6	26 8	25 10	27 4
Sweden -	26 0	26 7	26 3	25 5	25 10	24 7	25 9
Denmark -	27 3	27 7	27 2	25 9	24 10	24 0	26 1
Turkey -	21 11	22 5	23 2	23 1	21 9	20 3	22 1
Roumania -	19 8	20 11	21 6	20 10	18 5	16 8	19 8
Russia -	17 9	19 8	19 7	18 3	14 11	14 2	17 5
United States -	28 8	27 5	27 0	26 3	25 2	23 2	26 3

From the foregoing comparative statement of values it would appear that the Dutch and Austrian barleys hold the premier position, and that the small quantity of grain imported from those countries and from France and Germany is of a higher value than British barley. Scandinavian and American barley seems to be about equal in value to that grown in this country, while that produced in Turkey, Roumania, and Russia is apparently an inferior kind of grain.

207. Summarising the evidence, statistical and otherwise, at our disposal on this subject, we find that while there has been until quite recent years relatively little or no expansion in the supply of foreign barley, one important change which has been in progress during the past twenty years has been the diversion of the import trade towards those centres of production whence the cheaper varieties of barley are now obtained, a notable instance being the steady rise in the imports from Russia and the decline of those from the countries of western Europe. In connection with this change we have had evidence to the effect that there has been a growing demand for low-priced foreign barley by stock feeders, but it is difficult to account in this way for the apparent displacement of the dearer kinds of imported malting barleys, and we are disposed to think that the facts before us point to a material change having taken place in the nature of the materials used in the brewing industry.

Oats.

208. In the case of oats the statistical evidence shows that while the gross imports, during the past twenty years, have increased by nearly 25 per cent., the proportion of foreign oats relatively to the total supply available for consumption in the United Kingdom has been on the whole a diminishing factor, at any rate during the past ten years.

The main features of the supply of this cereal during the past decade are exhibited in the following table :—

Periods.	Average Annual Acreage.	Average Annual Supply of Home Production.	Average Annual Net Imports.	Average Annual Total Supply available for all Purposes.	Per-centage of Net Imports to Total Supply.
	Acres.	Qrs.	Qrs.	Qrs.	
1886-88	4,323,000	19,991,000	5,617,000	25,608,000	21·9
1887-89	4,231,000	19,849,000	5,907,000	25,756,000	22·9
1888-90	4,138,000	19,987,000	5,716,000	25,703,000	22·2
1889-91	4,122,000	20,674,000	5,479,000	26,153,000	20·9
1890-92	4,154,000	20,967,000	5,402,000	26,369,000	20·5
1891-93	4,253,000	21,044,000	5,618,000	26,662,000	21·1
1892-94	4,384,000	21,307,000	5,414,000	26,721,000	20·3
1893-95	4,480,000	22,072,000	5,375,000	27,447,000	19·6

209. In connection with the imports of oats it is to be noted that there has been practically no change in the sources of importation for the past 20 years. Russia has been the principal contributor and Sweden has ranked next. These two countries have been responsible for 70 per cent. of the foreign supply throughout the entire period (with the exception of the year 1892), Russian oats constituting by far the larger proportion.

The triennial averages of the prices of British oats, and of oats imported from certain countries during the years 1888 to 1895, are contrasted below :—

Description.	1888-90.	1889-91.	1890-92.	1891-93.	1892-94.	1893-95.	Average.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
British oats - - -	17 8	18 9	19 6	19 6	18 7	16 9	18 5
Imported oats from—							
Russia - - -	15 4	16 10	17 4	17 4	16 1	14 9	16 3
Sweden - - -	16 5	17 5	17 9	18 0	17 2	16 6	17 2
United States of America -	17 4	17 5	18 2	18 0	17 5	15 5	17 3

Other Cereals.

210. As regards the remaining cereals imported into this country, the table below shows the average annual quantities of maize, rye, buckwheat, beans, and peas received during the past 20 years. Of these only the last two can be said to come into direct competition with British products, but the magnitude of the aggregate foreign supplies of such cereals as maize, rye and buckwheat is manifestly a competitive element affecting prices, in so far as these grains are used in substitution of home-grown produce.

Average Annual Imports of Maize, Rye, Buckwheat, Beans, and Peas in the Triennial Periods 1875-77 to 1893-95.

Quantities.

Period.	Maize.	Rye.	Buckwheat.	Beans.	Peas.
	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1875-77	30,303,222	227,883	72,444	4,218,559	1,582,674
1878-80	38,349,006	245,253	40,108	2,255,024	1,967,760
1881-83	27,831,894	220,993	70,565	2,587,009	1,996,901
1884-86	29,106,255	286,238	83,844	3,282,236	2,003,100
1887-89	30,909,938	904,176	99,656	3,027,506	2,373,971
1890-92	35,214,894	540,100	136,658	3,815,755	2,254,454
1893-95	34,070,632	897,273	125,584	4,445,806	2,332,639

Values.

Period.	Maize.	Rye.	Buckwheat.	Beans.	Peas.
	£	£	£	£	£
1875-77	10,245,520	89,247	26,236	1,701,662	700,643
1878-80	11,192,361	89,472	14,583	898,462	779,512
1881-83	9,103,003	89,252	24,259	1,000,654	794,428
1884-86	7,801,329	88,299	26,570	1,035,684	663,996
1887-89	7,672,470	222,742	28,115	944,465	713,698
1890-92	9,233,336	178,437	43,403	1,188,547	776,920
1893-95	7,884,579	209,739	36,105	1,184,478	690,105

MEAT.

211. In reviewing the circumstances connected with the supply of foreign meat, it will be convenient in the first place to examine the statistics relating to the trade in live animals.

212. Taking the figures given in the Agricultural Returns for 1895, the numbers of cattle, sheep, and swine imported annually since 1876 into the United Kingdom have been as shown in the table below. The entries for single years have been adopted in preference to averages for triennial periods, as the fluctuations from year to year in

these imports are frequently considerable, owing partly to economic causes and partly to changes effected by legislative measures directed against disease.

Years.	Numbers.			Values.		
	Cattle.	Sheep.	Pigs.	Cattle.	Sheep.	Pigs.
	No.	No.	No.	£	£	£
1876	271,576	1,041,329	43,558	4,860,440	2,226,952	172,727
1877	201,193	874,055	20,037	3,817,499	2,107,466	87,599
1878	253,462	892,125	55,911	5,080,702	2,171,904	200,703
1879	247,768	944,888	52,366	4,639,431	2,252,824	183,131
1880	389,724	941,121	51,191	7,793,960	2,266,436	178,899
1881	319,374	935,144	24,283	6,251,577	2,191,762	81,917
1882	343,699	1,124,391	15,670	6,655,590	2,558,827	57,539
1883	474,750	1,116,115	38,863	9,332,242	2,518,382	133,130
1884	425,507	945,042	26,437	8,271,020	2,149,704	84,153
1885	373,078	750,886	16,522	7,046,477	1,625,029	63,248
1886	319,622	1,038,965	21,351	5,068,846	2,010,194	63,357
1887	295,961	971,404	21,965	4,438,785	1,645,839	64,424
1888	377,088	956,210	24,509	5,912,361	1,740,549	74,784
1889	555,222	677,958	25,324	9,069,327	1,195,132	95,373
1890	642,596	358,458	4,036	10,505,525	696,312	14,474
1891	507,407	344,504	542	8,581,574	663,015	1,806
1892	502,237	79,048	3,826	9,224,011	125,659	12,465
1893	340,045	62,682	138	6,262,761	88,530	415
1894	475,440	484,597	8	8,285,041	804,823	16
1895	415,565	1,065,470	321	7,183,040	1,782,544	668

The imports of live pigs are comparatively insignificant, and they may therefore be omitted from further consideration.

213. As regards cattle, the trade statistics show that while the imports have always been subject to great fluctuations, they exhibited, on the whole, a tendency to increase until 1890, and in recent years there have been indications of a decline. One great feature of this trade in horned stock in recent years has been the growth of the consignments from America and the decline of the receipts from Europe, but here it is necessary to observe that, owing to the restrictions imposed at various periods on the importations of live stock from different countries, this change cannot be regarded as wholly due to the natural effects of the competition of producers in the two continents. The following statement shows the number per cent. of cattle imported into the United Kingdom from America and Europe since 1876 :—

Year.	United States.	Canada.	Argentina.	Europe.	Other Countries.
1876	*	1	—	99	*
1877	6	4	*	90	*
1878	27	7	—	66	*
1879	31	10	*	59	*
1880	40	12	—	48	*
1881	32	14	—	54	*
1882	14	9	—	77	*
1883	33	11	—	56	*
1884	33	14	—	53	*
1885	37	18	—	45	—
1886	36	21	—	43	*
1887	32	22	—	46	—
1888	38	16	—	46	—
1889	53	15	*	32	—
1890	60	19	*	21	—
1891	62	21	1	16	—
1892	78	19	1	2	—
1893	73	24	2	1	—
1894	80	17	2	*	*
1895	67	23	9	*	*

* Less than 1 per cent.

214. The variations from year to year in the imports of sheep have been so great that no conclusive indications as to the course of the trade can be drawn from them. The displacement of the supply from the Continent by the exports from the United States, Canada, and Argentina, has also been the chief characteristic of the import trade in sheep, though the change is here much more recent than in the case of horned stock.

as will be seen from the following statement, which shows the number per cent. received from various countries. The observations made above as to the influence of veterinary measures upon the importation of live stock apply of course to sheep :—

Year.	Belgium.	Denmark.	Germany, including Schleswig- Holstein.	Iceland.	Nether- lands.	Canada.	United States.	Argentina.	Other Countries.
1876	24	5	30	†—	40	*	—	—	*
1877	7	5	55	†—	30	1	2	—	*
1878	4	7	50	*	28	5	5	—	1
1879	2	6	40	*	31	8	13	*	*
1880	1	9	40	1	33	8	7	—	1
1881	3	8	48	1	27	7	5	—	1
1882	9	8	43	2	26	6	5	—	1
1883	8	10	44	1	19	9	8	—	1
1884	4	9	53	*	22	6	3	*	1
1885	5	7	43	4	33	5	2	*	1
1886	*	9	32	3	45	9	*	—	1
1887	*	6	33	3	52	4	*	—	1
1888	—	7	31	3	52	5	*	—	1
1889	—	15	29	8	29	8	3	*	8
1890	—	20	—	19	33	12	1	6	9
1891	—	12	—	7	61	9	3	6	2
1892	—	1	—	46	11	19	4	18	1
1893	—	—	—	46	—	6	—	36	12
1894	—	—	—	14	—	29	40	15	2
1895	—	—	—	6	—	21	42	29	2

* Less than 1 per cent.

† In 1876 and 1877 exports from Iceland are included with those from Denmark.

Report of
Select Com-
mittee on
Marking of
Foreign
Meat.
H.C. 121.

215. Before proceeding to discuss the statistical evidence relating to the importation of dead meat we have endeavoured to ascertain approximately the relation of the imports of live and dead meat to the total quantity of meat available annually for consumption in the United Kingdom. An estimate of this kind, prepared by the Board of Agriculture, is contained in the minutes of evidence taken by the Select Committee on the Marking of Foreign Meat, and by following the methods of calculation adopted in arriving at that estimate, which applies to the year 1892, we have prepared the following statement, which shows approximately the average annual quantity of meat represented by the home production of live stock, and by the imports of live animals and dead meat since 1876.

Period.	Home Produce.				Imported Produce.			Grand Total.
	Beef and Veal.	Mutton and Lamb.	Pork, Bacon, and Hams.	Total.	Dead.	Live.	Total.	
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1876-78	657,000	404,000	265,000	1,326,000	246,000	90,000	336,000	1,662,000
1877-79	658,000	404,000	253,000	1,315,000	288,000	90,000	378,000	1,693,000
1878-80	661,000	396,000	227,000	1,284,000	341,000	111,000	452,000	1,736,000
1879-81	664,000	377,000	213,000	1,254,000	355,000	118,000	473,000	1,727,000
1880-82	661,000	357,000	231,000	1,249,000	317,000	126,000	443,000	1,692,000
1881-83	666,000	349,000	257,000	1,272,000	292,000	135,000	427,000	1,699,000
1882-84	678,000	355,000	274,000	1,307,000	275,000	144,000	419,000	1,726,000
1883-85	701,000	366,000	268,000	1,335,000	509,000	147,000	456,000	1,791,000
1884-86	718,000	368,000	257,000	1,343,000	320,000	132,000	452,000	1,795,000
1885-87	723,000	368,000	253,000	1,344,000	333,000	121,000	454,000	1,798,000
1886-88	710,000	364,000	255,000	1,329,000	333,000	124,000	457,000	1,786,000
1887-89	696,000	366,000	265,000	1,327,000	363,000	146,000	509,000	1,836,000
1888-90	699,000	376,000	280,000	1,355,000	419,000	179,000	598,000	1,953,000
1889-91	723,000	395,000	290,000	1,408,000	470,000	191,000	661,000	2,069,000
1890-92	751,000	412,000	275,000	1,438,000	504,000	187,000	691,000	2,129,000
1891-93	761,000	412,000	250,000	1,423,000	493,000	157,000	650,000	2,073,000
1892-94	748,000	398,000	239,000	1,385,000	507,000	160,000	667,000	2,052,000
1893-95	731,000	382,000	261,000	1,374,000	532,000	157,000	689,000	2,063,000

216. We have considered it desirable at this stage to call attention to the above estimate in order to show the relatively small proportions of the combined imports of live cattle, sheep and swine, represented as meat, to the total meat supply of the United Kingdom.

217. With reference to the imports of dead meat, which now constitute in the aggregate about 25 per cent. of the entire meat supply of the country, it is only since 1890 that it has been possible to distinguish the total importation of beef and mutton, as prior to that year preserved beef (not salted), and preserved mutton were entered as meat unenumerated. The imports of fresh meat, which constitute the bulk of the consignments of all forms of foreign mutton, and lately nearly 50 per cent. of the consignments of beef, can, however, be traced for a number of years.

Dealing in the first instance with fresh beef, we find that the annual imports have increased from 1,732 tons in 1876 to 109,528 tons in 1895. The average quantity imported yearly in triennial periods has been as under:—

BEEF.

—	Tons.	—	Tons.
1875-77 -	11,268	1887-89 -	47,976
1878-80 -	30,082	1890-92 -	97,579
1881-83 -	34,767	1893-95 -	101,712
1884-86 -	43,136		

An analysis of the sources of importation would show that the United States has been responsible for 80 to 90 per cent. of the total foreign supply during the whole of the period under review.

218. The imports of salt beef have remained comparatively stationary at between 10,000 and 15,000 tons since 1876, and they present no features of importance.

Preserved beef has been distinguished only since 1890, the average annual importation in 1890-92 was about 27,500 tons, and in 1893-95 it was 19,000 tons. About 70 per cent. of the preserved beef is supplied by the United States.

219. Some idea of the extent of the relative proportions of the supplies of foreign beef and veal in our markets may be gathered from the following estimate of the quantity of beef and veal derived from the home production and from abroad in each year since 1890:—

Beef and Veal.

ESTIMATE of the SUPPLY of BEEF and VEAL derived from HOME PRODUCTION and from the IMPORTS, with the proportion of the IMPORTS to the TOTAL SUPPLY.

Year.	Home Production.	Imports.			Total Supply.	Proportion of Imports to Total Supply.
		Live.	Dead.	Total.		
	Tons.	Tons.	Tons.	Tons.	Tons.	
1890 - -	723,000	201,000	134,000	335,000	1,058,000	31·7
1891 - -	760,000	161,000	136,000	297,000	1,057,000	28·1
1892 - -	771,000	176,000	146,000	322,000	1,093,000	29·5
1893 - -	750,000	118,000	120,000	238,000	988,000	24·1
1894 - -	722,000	167,000	132,000	299,000	1,021,000	29·3
1895 - -	720,000	141,000	144,000	285,000	1,005,000	28·4

220. In the case of fresh mutton the imports were first separately shown in 1882, and the quantities imported since that year, distinguishing the chief sources of supply, have been as follows:—

MUTTON.

Year.	Australasia.	Argentina.	Holland.	Other Countries.	Total.
	Tons.	Tons.	Tons.	Tons.	Tons.
1882	1,850	—	6,150	1,500	9,500
1883	5,200	200	4,150	2,250	11,800
1884	15,200	2,000	5,800	2,150	25,150
1885	16,900	5,600	4,050	2,100	28,650
1886	19,200	9,500	2,600	1,350	32,650
1887	21,900	12,550	3,200	1,500	39,150
1888	27,150	17,250	4,400	6,000	49,400
1889	30,550	19,750	3,900	7,050	61,250
1890	44,850	21,750	5,800	10,400	82,800
1891	53,150	21,800	2,850	5,350	83,150
1892	48,850	23,550	8,250	4,350	85,000
1893	59,400	25,800	9,850	3,550	98,600
1894	71,950	29,300	10,000	3,500	114,750
1895	83,550	35,750	8,350	2,900	130,550

It will be seen that Australasia has been credited with over 60 per cent. of the annual supply since 1884, while Argentina has in recent years contributed about 25 to 27 per cent.

221. The imports of preserved mutton have only been separately shown since 1890, but they are comparatively unimportant.

222. The position of the import trade in live and dead mutton relatively to the home production may be seen from the following statement showing approximately the estimated supply of mutton and lamb from all sources since 1890 :—

Mutton and Lamb.

ESTIMATE of the SUPPLY of MUTTON and LAMB derived from HOME PRODUCTION and from the IMPORTS, with the proportion of the IMPORTS to the TOTAL SUPPLY.

Year.	Home Production.	Imports.			Total Supply.	Proportion of Imports to Total Supply.
		Live.	Dead.	Total.		
	Tons.	Tons.	Tons.	Tons.	Tons.	
1890	396,000	11,000	87,000	98,000	494,000	19·8
1891	419,000	10,000	86,000	96,000	515,000	18·6
1892	421,000	2,000	88,000	90,000	511,000	17·6
1893	397,000	2,000	103,000	105,000	502,000	20·9
1894	375,000	14,000	120,000	134,000	509,000	26·3
1895	372,000	30,000	140,000	170,000	542,000	31·4

223. It may be of interest here to compare the prices of British beef and mutton with the average annual values of the imports of fresh beef and fresh mutton :—

Beef.					Mutton.				
Average Annual Price per Stone of 8 lbs. of British Beef at the Metropolitan Cattle Market.				Average Annual Value per Stone of 8 lbs. of Imported Fresh Beef.	Average Annual Price per Stone of 8 lbs. of British Mutton at the Metropolitan Cattle Market.				Average Annual Value per Stone of 8 lbs. of Imported Fresh Mutton.
Years.	Inferior Quality.	Second Quality.	First Quality.		Years.	Inferior Quality.	Second Quality.	First Quality.	
	s. d.	s. d.	s. d.	s. d.		s. d.	s. d.	s. d.	s. d.
1876-78	4 5	5 6	6 0	3 10	1876-78	5 5	6 5	6 11	—
1877-79	4 4	5 4	5 10	3 10	1877-79	5 5	6 4	6 9	—
1878-80	4 4	5 3	5 10	3 9	1878-80	5 5	6 3	6 9	—
1879-81	4 4	5 2	5 8	3 9	1879-81	5 6	6 3	6 10	—
1880-82	4 5	5 4	5 10	3 10	1880-82	5 9	6 6	6 11	—
1881-83	4 4	5 5	5 10	3 11	1881-83	6 0	6 7	7 1	—
1882-84	4 3	5 6	5 11	3 11	1882-84	5 11	6 6	6 11	4 4
1883-85	4 1	5 3	5 8	3 10	1883-85	5 5	5 11	6 5	4 0
1884-86	3 9	4 9	5 3	3 7	1884-86	4 9	5 6	6 0	3 7
1885-87	3 5	4 3	4 10	3 5	1885-87	4 1	5 1	5 8	3 3
1886-88	2 10	4 0	4 9	3 3	1886-88	3 8	5 0	5 8	2 11
1887-89	2 7	4 1	4 9	3 2	1887-89	3 5	5 1	5 10	2 11
1888-90	2 4	4 4	4 10	3 2	1888-90	3 9	5 4	6 2	2 11
1889-91	2 6	4 4	4 10	3 1	1889-91	3 11	5 5	6 2	2 11
1890-92	2 8	4 3	4 10	3 0	1890-92	4 0	5 3	5 11	2 11
1891-93	2 10	4 2	4 10	3 0	1891-93	3 9	4 11	5 7	2 10
1892-94	2 9	4 0	4 8	3 0	1892-94	3 8	4 11	6 7	2 10
1893-95	2 8	4 0	4 7	2 11	1893-95	3 9	5 1	5 9	2 8

PORK.

224. From an examination of the statistics relating to the importation of all forms of pork, it appears that over 90 per cent. of the total supply arrives in the shape of bacon and hams. The average yearly receipts in three-year periods since 1876 have been as shown below :—

	Bacon and Hams.	Fresh and Salted Pork.	Total.
	Tons.	Tons.	Tons.
1875-77	144,000	15,800	159,800
1878-80	242,450	20,650	263,100
1881-83	187,150	17,500	204,650
1884-86	194,800	18,200	213,000
1887-89	200,100	21,700	221,800
1890-92	247,500	16,900	264,400
1893-95	239,350	21,400	260,750

It is probable that some forms of preserved pork are included in the Trade Returns under meat unenumerated, but the quantity is so small that it may be disregarded. About 80 per cent. of the large importation of bacon and hams is contributed by the United States; the remainder is chiefly of Canadian and Danish origin.

225. The approximate relation of the imports of pork, bacon and hams to the total supply of pig-meat in all forms available for consumption in the United Kingdom in recent years is shown in the following statement:—

Pork.

ESTIMATE of the SUPPLY of PORK and other forms of PIG-MEAT derived from HOME PRODUCTION and from the IMPORTS, with the proportion of the IMPORTS to the TOTAL SUPPLY.

Year.	Home Production.	Net Imports.			Total Supply.	Proportion of Imports to Total Supply.
		Live.	Dead.	Total.		
	Tons.	Tons.	Tons.	Tons.	Tons.	
1890	303,000	*—	240,000	240,000	543,000	44.2
1891	296,000	*—	237,000	237,000	533,000	44.5
1892	227,000	*—	257,000	257,000	484,000	53.1
1893	227,000	*—	219,000	219,000	446,000	49.1
1894	263,000	—	250,000	250,000	513,000	48.7
1895	294,000	*—	280,000	280,000	574,000	48.8

* The imports of live swine represented only about 200 tons of pork in 1890, and they have been less since.

226. From a review of the statistical evidence discussed in the foregoing paragraphs, it is clear that there has been a remarkable growth in the imports of meat during the past 20 years. Represented by its weight, the foreign supply of beef, mutton and pork (live and dead) in the aggregate has about doubled. Relatively to the population of the United Kingdom, it has risen from an annual average of approximately 22 lbs. per head in 1876–8 to 40 lbs. per head in 1893–5. During the same period there has been practically no augmentation in the supply of home-grown meat, for while there has been some increase in the production of beef, the outturn of mutton has slightly declined, and that of pork has remained, on the whole, stationary.

227. An examination of the tables given above, showing since 1890 the relations of the imports to the total quantity of meat available for consumption annually, indicates that in the case of beef the foreign supply now represents approximately 28 or 29 per cent. of the supply from all sources. The imports of mutton have varied during the past six years from less than 20 per cent. to just over 30 per cent. of the total supply available for consumption, but omitting the receipts for 1894 and 1895, which appear to have been exceptionally heavy, the proportion of foreign mutton has in recent years been about 18 to 20 per cent. of the aggregate supply. The supplies of foreign pork, consisting for the most part of bacon and hams, represent about 49 per cent. of the total supply of pig-meat available annually for consumption in the United Kingdom.

228. As regards the sources whence our supplies of foreign meat are obtained, the United States undoubtedly occupies the leading position, contributing about 80 per cent. of the beef (live and dead) and 80 per cent. of the pork imported annually, while in 1894 and 1895, 40 per cent. of the live sheep imported were also received from this source. Australasia has been the principal contributor to the supply of mutton since 1883, and Argentina has ranked next.

229. The predominance of the United States amongst the countries contributing to our supply of foreign meat renders it desirable that we should review briefly the evidence before us relating to the conditions of meat production in that country, with reference particularly to the extent of the competition to be expected from that quarter in the future.

230. In the first place we may refer to the evidence of Mr. John Clay, junior, whose knowledge of the subject is gained from practical experience in the American live-stock

Clay, 8274.
See also
Harris, 4767.

industry. This witness expressed the opinion that there is not likely to be any increase in the competition of the United States in the meat trade, though it is evident that he was referring only to beef. It was also his view that there would never be a substantial export of mutton from the United States, but since he gave his evidence there has been a remarkable development in the exports of live sheep from this source, we are unable, however, to say whether it is likely to be of a permanent character.

Clay, 8255.

231. As regards the profits accruing to exporters of cattle from America, Mr. Clay stated, that while the trade was not so profitable early in 1890, owing to low prices, cattle could be sent to this country with advantage at something like the prices obtained in the three or four years prior to 1894.

Minutes of
Evidence,
Vol. III.,
p. 516.

232. In the memorandum put before us by the Board of Agriculture, it is stated that the meat exports of the United States, so far, at least, as concerns cattle and beef, have shown more expansion than the exports of cereal produce, and somewhat more than can be explained by the growth in numbers of cattle in the United States, but it is added that the whole export of beef, live and dead, represents but a small proportion of the stock in the country.

Minutes of
Evidence,
Vol. III.,
p. 516.
Journal of
Board of
Agriculture,
March 1896,
page 451.

233. In this connection it may be interesting to show here the growth of population of the United States and the numbers of live stock since 1870:—

Years.	Population.	Cows.	Oxen and other Cattle.	Sheep.	Pigs.
1870 -	38,558,000	10,096,000	15,389,000	40,853,000	26,751,000
1880 -	50,156,000	12,027,000	21,231,000	40,766,000	34,034,000
1890 -	62,622,000	15,953,000	36,849,000	44,336,000	51,603,000
1895 -	69,753,000	16,505,000	34,364,000	42,294,000	44,166,000

From these figures it would appear that the oxen and other cattle, from which the export trade is mainly fed, increased in numbers up to 1890 from 399 to 588 per 1,000 persons, but they have gradually declined since. In 1895 these numbers had fallen to 493 per 1,000 persons, and we understand that the figures for 1896 will show a still further decline in this class of stock relatively to the population.

Foreign
Office
Report on
United
States cattle-
raising in-
dustry.
Miscel-
laneous
Series,
No. 403.

234. This decline in the production of cattle lends support to the argument that there is not likely to be any increase in the competition of the United States in the beef trade of this country under existing conditions, but it is possible that an improvement in prices would stimulate a further development. On this point we may refer to an interesting report prepared by Mr. O'Beirne, of Her Majesty's Embassy at Washington. Speaking of the decrease in the numbers of live stock in the United States, he says:—

“On a review of the past few years' history of the cattle industry, it is difficult to avoid the conclusion that what has been mainly responsible for the decrease in numbers of cattle is the reduction in the profits of cattle-raising. In the five years preceding 1885 prices were high, the ranching business, with its tempting profits, had a wide extension, and the total number of cattle increased from 35,000,000 to 49,000,000. During the five following years, prices of all classes of cattle fell by as much as 35 per cent., partly from causes affecting the price of commodities in general, but chiefly as the result of the excessive supplies of cattle thrown on the market with the rapid development of ranching. At the same time the ranching area was rapidly diminishing, and ranching was being replaced by more expensive and less profitable methods of cattle raising. A corresponding change followed in the results shown by the industry, although not until some years later. The number of cattle continued to increase, although slowly, up to 1892; but since then low prices and small profits have had their effect in a rapid and continuous diminution of the stock.

“The question of the future tendency of the numbers of cattle, therefore, seems to turn to a large extent upon the question whether the inducements offered to cattle-raising under existing conditions, and at present prices, are sufficiently strong to check the falling-off in results shown by the industry in the past years. It is, of course,

correct to say that the States can produce an indefinitely larger stock of cattle than they now possess. But the question is not so much of the capacity of the country to produce, as of the conditions that must intervene before the capacity will be exercised; and while inducements to cattle-raising are no higher than they have been in recent years, there is no reason to expect any decided change in the course of cattle production."

235. The influence of changes in prices upon the exports of live cattle from the United States is illustrated by the following passages taken from the same report:—

"The cattle exported alive to Great Britain are for the most part three and four-year olds, selected from the highest class of beeves raised in the cattle States west of the Mississippi and marketed in Chicago. They are there bought by the exporting firms, the great bulk of the purchases being made by a limited number of the great slaughtering and packing houses, among which may be mentioned Messrs. Armour, Swift and Co., and Messrs. Nelson, Morris and Co. The cattle are shipped almost entirely to London, Liverpool, or Glasgow, where their meat sells slightly below the corresponding class of English beef from the force of a lingering prejudice against the foreign article. The total of the exporters' expenses between the Chicago and the English market varies from 20 to 25 dollars (4*l.* to 5*l.*) per head, according to the rates of ocean freight. The items of expense are approximately as below:—

	Per Head.
	Dol. c.
Railroad freight from Chicago to New York -	7 0
Feed on ocean - - - - -	3 0
Ocean freight - - - - - (about)	9 0
Insurance - - - - -	0 85
Attendance - - - - -	1 0
Yardage, commission, &c. on English side -	3 0
Incidental - - - - -	1 0
Total - - - - -	24 85

"It is calculated, making due allowance for loss of weight on the voyage, that a difference of some 6 to 7 c. (3*d.* to 3½*d.*) per 1 lb. between the Chicago and English prices (live weight, and estimated dressed weight respectively) is just sufficient to enable the exporter to recover his outlay with a fair profit, supposing the shipment to be of heavy cattle; and the prices in the two markets tend in the long run to adjust themselves in this relation. A difference in price of more than 7 c. has an immediate effect in stimulating purchases for export at Chicago; a very slight advance of prices at Chicago, or decline at Liverpool, bringing the difference in price below 6 c., is sufficient to make exportation a losing business. The exporter having generally been forced to engage ocean freight some months in advance has then to choose between sacrificing his freight or shipping at a certain loss. Thus the business has admittedly been one of great uncertainty and risk."

236. No detailed evidence has come under our notice relating to the bacon-curing industry in the United States; it is worthy of notice, however, that the production of swine in that country has declined considerably in the last few years, but this class of stock is usually subject to great fluctuations.

237. Although the competition of Argentina in the live meat trade of this country has only recently sprung up, its growth has been sufficiently remarkable to deserve some attention from producers in the United Kingdom. In the report upon the agricultural and pastoral industries of Argentina, transmitted for our information by the Foreign Office, it is stated that the export of Argentine live stock to Brazil and Europe is an industry which has sprung up within the past five years.

238. Notwithstanding the fact that agriculture in Argentina occupies a larger extent of land every year, particularly in those provinces where stock raising is so largely practised, meat products constitute, in the opinion of Mr. Gastrell, Her Majesty's Vice-Consul at Buenos Ayres, the principal wealth of the Republic. According to official estimates published by the Argentine Government in 1889, the numbers of

Minutes of Evidence, Vol. III., App. XXI., page 516, and Journal Board of Agriculture, March 1896, page 451.

Journal of Board of Agriculture June 1895. p. 12.

live stock in the country at that time included 21,963,930 cattle and 66,701,097 sheep. In 1894 the number of cattle in the Republic was calculated to be approximately 25,000,000, while of sheep there were estimated to be 80,000,000 head.

Appendix II. These statements are corroborated by the report prepared specially for the Commission by Mr. Peel.

Journal
Board of
Agriculture,
June 1896,
p. 12.

239. Hitherto the exports of live cattle from Argentina have consisted mainly of consignments to countries in the South American continent, but attention has recently been directed to the possibility of developing the trade with Europe, and particularly with the United Kingdom. The following statement shows the total number of cattle exported in the five years ending with 1894, together with the number of Argentine cattle returned by the Board of Customs as having been landed in Great Britain :—

Year.	Number of Cattle exported from Argentina.	Number of Argentine Cattle imported into the United Kingdom.
1890 - - - - -	150,008	653
1891 - - - - -	171,105	4,190
1892 - - - - -	125,458	3,500
1893 - - - - -	201,645	6,884
1894 - - - - -	220,490	9,546

Brett, 43,047. 240. From the evidence given by Mr. Brett, a witness from Argentina, it appears that the development of cattle raising in that country is favoured by the mildness of the climate in winter and by the fact that the stock never require housing or hand feeding. A further advantage enjoyed by Argentine producers is the suitability of large areas to the cultivation of lucerne ("alfalfa") upon which the cattle are to a large extent fattened. Alfalfa appears to be particularly suited to a great part of the Republic, owing to its not requiring much surface-damp or rain. Its roots penetrate deeply into the soil even to the extent of 15 feet, so that the plant depends more upon the moisture of the subsoil than on the weather conditions for its nourishment. It may be observed that according to the Agricultural Returns for 1895 the total area under this crop in Argentina in 1892 was 1,635,000 acres, as compared with 352,000 acres in 1883.

Brett, 43,551. 241. The witness referred to above stated that as many as 500 steers could be fattened in a year upon 400 acres of the best lucerne land. In a report published by the Foreign Office in 1893, it is stated that four acres of good alfalfa are considered to carry two animals in winter and four in summer, and that these numbers may be largely increased after heavy rain.

Appendix II. 242. Mr. Peel, of Her Majesty's Legation at Buenos Ayres, reports as follows :—
"The lucerne graziers buy store stock from the breeder, and keep them until fit for shipment. The lucerne man calculates to fatten a store steer in about four to six months, and to make a profit of about 1*l.* to 1*l.* 10*s.* in doing so. He can, therefore, afford to buy the store steer of a first-class quality at from 4*l.* to 5*l.*, and realise a handsome profit on selling him to the exporter. Lucerne lands can be stocked all the year round at a rate of one steer per three acres, and the value of land in lucerne, fenced in and provided with a good water supply, may be taken at about 2*l.* per acre. Thus, with a good year, free from the visitation of the locust, and with little expense beyond the drawing of water, the grazier can make about 1*l.* per acre, of which at least 60 per cent. is net profit."

Brett, 43,069. 243. With reference to the cost of production Mr. Brett stated that a steer three years old would be raised in Argentina and sold with a profit to the breeder at 3*l.* sterling; he also held that it would pay producers in that country to export cattle of 90 stone weight (stone of 8 lbs.) for sale in the United Kingdom at 13*l.* and 14*l.* per head, although he admitted that the beasts would be of a quality and condition which would not compete with British cattle.

Brett, 43,062,
43,324,
43,327.

244. The sheep stock in Argentina is said to have received greater attention at the hands of the breeder than either the cattle or horses. Up to 1880 the sheep were

almost entirely of a merino strain, but about that period the industry of freezing mutton was first instituted, and the breeders, finding the carcass of the merino of little value for export, turned their attention to English breeds, and particularly to the Lincoln sheep. A rapid, indeed, an unprecedented, change appears to have taken place between 1884 to 1894, viz., the conversion of approximately 30,000,000 sheep from merino into Lincoln, being nearly all the sheep stock of the south of the province of Buenos Ayres.

Foreign Office Report, Miscellaneous Series, No. 369.

245. The greater number of the live sheep exported from Argentina are shipped to the United Kingdom. The minimum live weight demanded by the exporter is, it is said, 132 lbs., and the price paid by him for the wether in Buenos Ayres is 12s. The cost of freight is estimated to be from 12s. to 14s., and fodder, care, and incidental expenses may be calculated at another 7s. to 8s. The wethers are reported to sell in the markets of Liverpool and Deptford at from 1*l.* 15s. to 2*l.* 4s.

Appendix II.

246. Until quite recently, however, the chief branch of the Argentine sheep export industry has been the trade in frozen mutton; the exports of which to Great Britain have increased from 200 tons in 1883 to 35,750 tons in 1895. In the spring of 1895, the price of Argentine frozen mutton in this country is stated to have been as low as 2½*d.* per lb. In regard to this drop in price, Mr. Peel says:—

Brett, 43,086.

“But an occurrence worthy of particular remark is affecting this industry, viz., the constant fall in frozen mutton, which has recently reached the incredibly low wholesale price in England of 1*s.* 8*d.* per 10 lbs. This is naturally producing a corresponding fall in the value of the wether for freezing purposes, and the same animal that obtained a price from 7*s.* to 8*s.* last year is this year going a-begging at 6*s.* This matter deserves especial attention, for if a further fall in frozen mutton occurs, it will threaten the existence of the meat-freezing trade.”

Appendix II.

247. With respect to the possibility of a further extension of cattle and sheep rearing in Argentina, Mr. Brett stated that there was still a very large area of land available for this purpose; sufficient to carry treble the existing number of cattle and about double the present number of sheep. Evidence to a similar effect is contained in the following extract from Mr. Peel's report:—

43,354-6.

“I asked Mr. Herbert Gibson his opinion as to the capabilities and development of stock-breeding in the Argentine Republic. Mr. Gibson replied that he considered them as limitless as those of agriculture. ‘There are still,’ he said, ‘vast tracts of land in the north of the province of Santa Fé, in the territory of the Central Pampa, and all the south of the Republic, capable of producing store-stock at cheap prices, and as yet unpeopled. It is difficult, moreover, to indicate the limit of the lucerne-growing lands. Thus with, on the one hand, room to produce the store animal in far greater numbers than the Republic at present does, and at prices which can fall lower and still be remunerative to the breeder; and on the other hand, the spread of the lucerne fields to receive this store stock, and prepare it for the consuming market, I think I am almost justified in stating that the Argentine Republic can afford to undersell the whole world's meat trade, and remain sole caterer.’ Mr. Gibson is said to be an authority on the live stock industry of Argentina.”

Foreign Office Report, Miscellaneous Series, No. 369.

248. We have received no evidence as to the probable course of the exports of mutton from Australia and New Zealand. Mr. Thomson, a witness from Queensland, stated, however, that the production of cattle and sheep in Australia for export was likely to continue, and that there was room for further increase if the conditions were encouraging. The subject is also discussed in a report by Mr. Bruce, the Government Inspector of stock in New South Wales. This authority says: “While it is a matter of the highest importance to obtain a good footing on the continent of Europe, and every endeavour should be made to open up markets there for our meat and other produce, we ought not to overlook the necessity for rigorous and combined work in the way of extending the business in Great Britain and Ireland, for not only would the benefit be more immediate, so far as regards the meat, than what may be expected from any endeavour on the Continent, but it is to be borne in mind that the frozen meat trade carries with it the trade in butter, cheese, fruit, game, fish, and poultry, as well as that of other articles which need the help of refrigerators in the course of their transport from Australia to Europe, and protection till they can be sold; and although the necessary refrigeration, freight, and cold storage might to some extent be provided for these other products independently of the frozen meat, it has only been through the establishment of the frozen meat trade that the business in

Thomson, 45,986, 46,123, 46,187.

Journal of Board of Agriculture, Sept. 1895, p. 129.

AVERAGE PRICES OF DEAD MEAT, per Stone of 8 lbs., at the LONDON CENTRAL MEAT MARKET, during 1893, 1894, 1895 and the first half of 1896.

	1893.		1893.		1893.		1894.		1894.		1894.		1895.		1895.		1896.	
	1st Quarter.		2nd Quarter.		3rd Quarter.		4th Quarter.		1st Quarter.		2nd Quarter.		3rd Quarter.		4th Quarter.		1st Quarter.	
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
BEEF:—																		
Scotch, short sides	4 1 to 4 5	4 4 to 4 7	4 6 to 4 9	4 5 to 4 8	4 0 to 4 4	4 2 to 4 6	4 4 to 4 7	4 2 to 4 6	4 0 to 4 3	4 4 to 4 8	4 5 to 4 9	4 3 to 4 6	4 2 to 4 6	4 3 to 4 6	4 2 to 4 6	4 3 to 4 6	4 0 to 4 3	4 0 to 4 3
“ long sides	3 7 „ 3 11	3 10 „ 4 2	4 0 „ 4 2	3 11 „ 4 2	3 8 „ 3 11	3 9 „ 4 0	3 10 „ 4 1	3 9 „ 4 0	3 9 „ 3 11	4 0 „ 4 2	4 0 „ 4 3	3 9 „ 4 0	3 9 „ 4 0	3 9 „ 4 0	3 9 „ 4 0	3 6 „ 3 9	3 7 „ 3 9	3 7 „ 3 9
English, Prime	3 7 „ 3 11	3 9 „ 4 1	3 10 „ 4 2	3 9 „ 4 1	3 8 „ 4 0	3 8 „ 4 0	3 10 „ 4 1	3 6 „ 3 10	3 9 „ 3 11	3 11 „ 4 1	3 10 „ 4 1	3 7 „ 3 10	3 6 „ 3 9	3 6 „ 3 9	3 6 „ 3 9	3 6 „ 3 9	3 6 „ 3 9	3 6 „ 3 9
Cows and Bulls	2 3 „ 2 10	2 4 „ 3 0	2 6 „ 3 1	2 6 „ 3 1	2 5 „ 3 0	2 5 „ 3 0	2 4 „ 3 10	1 11 „ 2 5	2 7 „ 3 1	2 4 „ 3 3	2 3 „ 3 1	2 0 „ 2 11	1 8 „ 2 8	1 8 „ 2 8	1 8 „ 2 8	1 8 „ 2 8	1 8 „ 2 8	1 8 „ 2 8
American, Town killed	3 2 „ 3 7	3 7 „ 3 10	3 5 „ 3 9	3 2 „ 3 8	3 3 „ 3 7	3 1 „ 3 5	3 0 „ 3 6	2 10 „ 3 6	3 6 „ 3 8	3 7 „ 3 10	3 4 „ 3 8	2 11 „ 3 5	2 10 „ 3 2	2 10 „ 3 2	2 11 „ 3 5	2 10 „ 3 2	2 9 „ 3 2	2 9 „ 3 2
“ Refrigerated	3 3 „ 3 8	2 6 „ 4 3	2 3 „ 4 2	2 0 „ 3 10	2 3 „ 3 7	1 10 „ 3 7	1 9 „ 3 10	1 9 „ 3 11	2 8 „ 3 10	2 3 „ 4 3	1 11 „ 4 2	1 9 „ 3 10	1 11 „ 3 4	1 11 „ 3 4	1 9 „ 3 10	1 11 „ 3 4	1 7 „ 3 7	1 7 „ 3 7
MUTTON:—																		
Scotch, Prime	4 0 „ 4 5	4 2 „ 4 9	4 4 „ 4 9	4 1 „ 4 6	4 0 „ 4 5	4 6 „ 4 11	4 8 „ 5 1	4 8 „ 5 0	4 10 „ 5 1	4 9 „ 5 2	4 10 „ 5 2	4 6 „ 4 11	4 0 „ 4 5	4 0 „ 4 5	4 6 „ 4 11	4 0 „ 4 5	4 3 „ 4 9	4 3 „ 4 9
English, Prime	3 10 „ 4 4	3 11 „ 4 6	4 0 „ 4 6	3 10 „ 4 3	3 11 „ 4 4	4 3 „ 4 9	4 6 „ 4 11	4 4 „ 4 8	4 8 „ 5 0	4 7 „ 5 0	4 5 „ 4 11	4 1 „ 4 7	3 10 „ 4 4	3 10 „ 4 4	4 1 „ 4 7	3 10 „ 4 4	3 11 „ 4 5	3 11 „ 4 5
Ewes	3 1 „ 3 5	3 1 „ 3 6	3 0 „ 3 6	2 9 „ 3 3	3 3 „ 3 7	3 9 „ 4 0	3 7 „ 4 0	3 2 „ 3 7	3 9 „ 4 1	3 6 „ 3 10	3 5 „ 3 10	3 0 „ 3 5	2 9 „ 3 4	2 9 „ 3 4	3 0 „ 3 5	2 9 „ 3 4	2 10 „ 3 5	2 10 „ 3 5
New Zealand	2 7 „ 2 11	2 6 „ 2 10	2 2 „ 2 8	2 4 „ 2 9	2 10 „ 3 1	2 9 „ 3 0	2 3 „ 2 7	2 1 „ 2 6	2 1 „ 2 7	1 8 „ 2 3	2 3 „ 2 6	2 8 „ 3 11	2 1 „ 2 7	2 1 „ 2 7	2 8 „ 3 11	2 1 „ 2 7	1 8 „ 2 3	1 8 „ 2 3
Australian	2 1 „ 2 5	2 2 „ 2 5	2 0 „ 2 4	2 6 „ 2 3	2 5 „ 2 8	2 4 „ 2 6	1 11 „ 2 3	1 9 „ 2 0	1 10 „ 2 0	1 7 „ 1 9	2 1 „ 2 2	1 10 „ 2 1	1 6 „ 1 8	1 6 „ 1 8	1 10 „ 2 1	1 6 „ 1 8	1 5 „ 1 6	1 5 „ 1 6
River Plate, Frozen	1 11 „ 2 2	2 0 „ 2 3	1 11 „ 2 2	1 11 „ 2 2	2 4 „ 2 6	2 1 „ 2 3	1 9 „ 2 0	1 8 „ 1 10	1 10 „ 2 0	1 7 „ 1 10	2 1 „ 2 1	1 11 „ 2 1	1 5 „ 1 8	1 5 „ 1 8	1 11 „ 2 1	1 5 „ 1 8	1 5 „ 1 6	1 5 „ 1 6
“ Town killed	—	—	—	—	—	3 11 „ 4 2	3 8 „ 3 11	2 1 „ 2 8	3 8 „ 4 0	3 0 „ 3 6	3 3 „ 3 7	3 1 „ 3 5	2 11 „ 3 2	3 1 „ 3 2	3 1 „ 3 5	2 11 „ 3 2	3 1 „ 3 4	3 1 „ 3 4
LAMB:—																		
English	6 2 „ 7 4	5 2 „ 6 3	3 11 „ 4 8	—	6 8 „ 7 8	5 7 „ 6 7	4 10 „ 5 6	4 6 „ 5 1	6 1 „ 7 3	5 10 „ 6 10	5 0 „ 5 10	—	6 1 „ 7 4	5 5 „ 6 6	—	6 1 „ 7 4	5 5 „ 6 6	5 5 „ 6 6
New Zealand	3 9 „ 4 2	3 3 „ 3 11	2 6 „ 3 0	2 5 „ 2 11	3 5 „ 3 11	3 3 „ 3 7	3 2 „ 3 6	3 4 „ 3 8	2 11 „ 3 9	2 7 „ 3 3	2 9 „ 3 1	3 0 „ 3 4	3 6 „ 4 1	2 11 „ 3 4	3 0 „ 3 4	3 6 „ 4 1	2 11 „ 3 4	2 11 „ 3 4

the other products was initiated, and it will only be by the extension of the frozen meat trade that the trade in the other products will be established and extended; for they could not of themselves to any great extent afford to provide the necessary machinery, appliances, and accommodation to allow of a safe and profitable business being done."

249. Summarising the evidence, statistical and otherwise, dealt with in the foregoing paragraphs, we think that while there has undoubtedly been a remarkable and progressive increase in the imports of fresh meat during the past 20 years, the foreign meat does not at the present time represent more than 30 per cent. of the total supply of beef and mutton respectively, and so far as we can judge there is not much prospect of a greater development of the importation of beef under existing conditions. Although it is possible that the supply from Argentina may assume increasing proportions, there seems to be a consensus of opinion that the exports of beef from the United States, which is the chief contributor to the foreign supply, are not likely to exceed their existing dimensions so long as prices remain at their present level.

250. As regards mutton, there are no indications of a diminution of the foreign supply, the evidence points rather to an augmentation of this trade, particularly in the form of frozen mutton; but it is difficult to forecast the course of the imports of live sheep, although the remarkable increase in the receipts of this class of stock from America and Argentina in 1894 and 1895 are significant of the possibilities of development in this direction under suitable conditions.

Thomson,
46,123,
46,137,
45,986.
Harris,
4767.

251. It is, however, important to observe that, from a comparison of the average values of the imported fresh meat with the price of British beef and mutton, it may be inferred that the foreign supply has consisted to a great extent of meat of an inferior market value, though this feature is less marked in beef than in mutton.

Clay, 8266;
8292.
Brett,
43,316-7.
Craigie,
40,271;
40,273.

This inference is supported by the evidence of some of the witnesses who have appeared before us and by the detailed statement (*on the opposite page*) of the average prices realised in the Central Meat Market by home-grown and imported beef and mutton.

252. There is, therefore, good ground for the conclusion that the imports of fresh meat have competed for the most part with second class British products, and that they have affected in a less degree the prices of the best home produce. That this has been the general effect of such competition hitherto is illustrated by the table given earlier in this Report (para. 223), showing the relative decline in the prices of different grades of British beef and mutton since 1876.

Thomson,
45,931-
45,938.

253. It might be argued that, notwithstanding the great increase in the supply of foreign meat during the past twenty years, there has been no diminution in the absolute quantity of meat produced in the United Kingdom, and that therefore the foreign supply has met a demand for cheap meat which has not been satisfied by the home production, and consequently does not come into direct competition with the latter. But while it is true that hitherto there has been apparently no displacement of the home produce, the presence of so large a quantity of cheap foreign beef and mutton must have had a depressing influence on the prices of inferior and second grade meat of home production, and in that respect the growth of the imports has been a real element of competition with which agriculturists in the United Kingdom have had to contend.

WOOL.

254. In view of the great fall in the price of wool, to which we have already referred above, we have considered it desirable to review in some detail the leading characteristics of the import trade in this article. We have confined our inquiries to sheep and lambs' wool (exclusive of alpaca), as it is only this description that comes into direct competition with the home-grown product.

255. During the last twenty years the gross imports of wool into the United Kingdom have nearly doubled; the quantity imported in 1876 having been 387,568,000 lbs., as compared with an importation of 770,955,000 lbs. in 1895. It may be convenient to

show here the average annual gross receipts of sheep and lambs' wool in this country, in three-year periods since 1875:—

	Period.	Annual Average Gross Import.	Annual Average Value.
		Lbs.	£
	1875-77 - -	384,614,000	23,444,000
	1878-80 - -	423,073,000	24,088,000
	1881-83 - -	475,627,000	25,151,000
	1884-86 - -	537,438,000	23,128,000
	1887-89 - -	634,712,000	26,150,000
	1890-92 - -	694,319,000	27,209,000
	1893-95 - -	714,756,000	25,085,000

256. It will be seen that the increase in the supply of imported wool has been a progressive one. But a considerable proportion of the gross quantity received is again exported. We have therefore prepared a statement showing approximately the relation of the net imports to the total supply of wool available from all sources for consumption in the United Kingdom.

In calculating the average production of home-grown wool down to 1893 we have adopted the estimates contained in the 'annual review of the wool trade published by the "Bradford Observer." We have had no hesitation in using these figures of production as we understand that they are generally regarded as being trustworthy.

The statement below accordingly shows the estimated average annual home production, and the net importation, of raw sheep and lambs' wool in three year periods since 1875, together with the relative proportion of the imports to the total supply.

Period.	Average Annual Home Production, Less Exports of British and Irish Wool.	Average Annual Imports, Less Exports of Imported Wool.	Average Annual Supply available for Consumption.	Per-centage of Imported Wool to Total Supply.	Average Annual Supply per Head of the Population.		
					From Home Production.	From Imports.	Total.
	Lbs.	Lbs.	Lbs.		Lbs.	Lbs.	Lbs.
1876-78 - -	144,575,000	209,608,000	354,183,000	59·2	4·31	6·24	10·55
1877-79 - -	141,745,000	194,879,000	336,624,000	57·9	4·18	5·74	9·92
1878-80 - -	138,048,000	196,417,000	334,465,000	58·7	4·02	5·73	9·75
1879-81 - -	131,189,000	191,666,000	322,855,000	59·3	3·79	5·54	9·33
1880-82 - -	123,733,000	208,839,000	332,571,000	62·8	3·54	5·98	9·52
1881-83 - -	116,187,000	206,727,000	322,914,000	64·0	3·30	5·87	9·17
1882-84 - -	112,779,000	226,656,000	339,435,000	66·8	3·18	6·39	9·57
1883-85 - -	111,949,000	230,897,000	342,846,000	67·3	3·13	6·47	9·60
1884-86 - -	113,758,000	252,029,000	365,787,000	68·9	3·16	7·00	10·16
1885-87 - -	113,748,000	256,141,000	369,889,000	69·2	3·13	7·05	10·18
1886-88 - -	112,869,000	276,913,000	389,782,000	71·0	3·08	7·57	10·65
1887-89 - -	111,764,000	294,225,000	405,988,000	72·5	3·08	7·98	11·01
1888-90 - -	113,090,000	305,772,000	418,862,000	73·0	3·04	8·22	11·26
1889-91 - -	119,994,000	317,556,000	437,550,000	72·6	3·20	8·47	11·67
1890-92 - -	128,143,000	309,412,000	437,555,000	70·7	3·39	8·19	11·58
1891-93 - -	133,587,000	322,161,000	455,748,000	70·7	3·50	8·45	11·96
1892-94 - -	132,846,000	330,239,000	463,085,000	71·3	3·46	8·59	12·05
1893-95 - -	125,604,000	349,780,000	475,384,000	73·6	3·24	9·02	12·26

257. From the foregoing it would appear that at the present time about 70 lbs. out of every 100 lbs. of sheep and lambs' wool available annually for use in the United Kingdom is produced abroad, and that the proportion of imported wool has been steadily increasing during the last 20 years.

258. An examination of the Trade Returns shows that the bulk of the imported wool is contributed by the Australasian Colonies. The proportions per cent. of the total

importation received from this source and from other possessions and countries since 1878 have been as follows :—

Countries.	1875-77.	1878-80.	1881-83.	1884-86.	1887-89.	1890-92.	1893-95.
Europe -	9.3	9.3	8.3	9.3	11.4	9.1	7.3
British Possessions in South Africa.	11.1	10.9	10.7	9.9	12.6	12.8	10.8
British East Indies -	5.9	6.2	5.2	5.3	5.4	5.1	5.2
Australasia -	67.9	68.1	72.0	70.6	65.3	67.7	70.7
Other countries -	5.8	5.5	3.8	4.9	5.3	5.3	6.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

259. It may be interesting to show here the average value of Australasian and South African wool side by side with the prices of some of the leading varieties of British wool.

Agricultural Returns of Great Britain, 1895, and Annual Statements of Trade.

Years.	British.					Australasian.		South African.
	Leicester.	Half-Breds.	Southdown.	Lincoln.	White Highland.	New Zealand.	Australian.	
	Per lb. d. d.	Per lb. d. d.	Per lb. d. d.	Per lb. d.	Per lb. d. d.	Per lb. d.	Per lb. d.	Per lb. d.
1876 -	—	—	17½	17½	—	15½	15½	15½
1877 -	—	—	16½	16½	—	15	15	15½
1878 -	—	—	15½	15	—	14½	14½	15½
1879 -	—	—	13	12½	—	14½	14½	14½
1880 -	—	—	14½	15½	7 " 7½	14½	14½	15½
1881 -	—	—	15½	12½	6 " 6½	14½	14½	15
1882 -	—	—	14	11½	6½ " 7	12½	12½	14½
1883 -	9 to 9½	9½ to 10½	10½ to 14	10	5½ " 6½	11½	12½	14½
1884 -	8½ " 9½	9 " 9½	10 " 18½	10	5½ " 6½	12	12½	13½
1885 -	8½ " 9	8½ " 9½	9 " 12½	10	5½ " 6	10	10½	9½
1886 -	9 " 9½	9½ " 10½	9½ " 12½	10	5½ " 6	8½	9½	9½
1887 -	9½ " 10½	10 " 11½	10½ " 12½	10½	5½ " 6½	10½	10½	10½
1888 -	9½ " 10	9½ " 10½	9½ " 11½	10½	5½ " 6½	10½	10½	9½
1889 -	9½ " 10½	10½ " 11	10½ " 12½	11	5½ " 6½	10½	10½	10½
1890 -	10 " 10½	10½ " 11½	11 " 13	11	5½ " 6½	10½	11	10½
1891 -	9½ " 10	10 " 10½	10½ " 13	9½	5½ " 6½	9½	9½	9½
1892 -	8½ " 9	9½ " 10½	10½ " 12½	8½	5½ " 6	9½	9	9½
1893 -	8½ " 9½	9½ " 10½	10½ " 12	10½	5 " 6	9½	8½	9½
1894 -	9 " 10	9½ " 10½	9½ " 12	10	5 " 6	9	8½	9½
1895 -	9½ " 10½	9½ " 11	9½ " 11½	12	5 " 5½	8½	8	9½

260. In contrasting the figures given in the above table it must be remembered that in the case of the imported wools the values given are averages obtained by dividing the total value by the aggregate quantities received, and it is therefore impossible to distinguish the differences in the prices realised by different grades or qualities. It is difficult, also, to estimate what proportion of the imported varieties comes into direct competition with the home products. For instance, the greater quantity of the wool received from Australasia is merino, a variety which can only indirectly affect the value of British and Irish wools. But it is apparent, from the diminishing proportion of the production of the United Kingdom to the whole supply that there has been some displacement of the latter by the increasing imports, and it is evident that the presence of so large a quantity of foreign wool in our markets is a factor of some importance in the determination of the demand for, and the value of, the home product. There is, however, another disturbing element which must not be lost sight of in considering the course of prices of an article like wool, and that is the influence of sudden changes of fashion. Such changes are usually of a temporary or seasonal character, though they may frequently cause the market quotation of one or more varieties to deviate considerably for a longer or shorter period from the general trend of prices. With these reservations and allowances it may be said that the price of home-grown wool has corresponded generally with the movement in the values of imported wools.

DAIRY PRODUCE.

261. In connexion with the efforts which are being made to develop the dairying industry in this country, the evidence put before us relating to the extent of the foreign competition in dairy products is of considerable interest. From the particulars given in the Annual Statements of Trade we have compiled the following table, showing

the net imports of butter and cheese since 1876, together with the net quantities of these products imported per head of the population of the United Kingdom. Prior to 1886 margarine was included with butter in the Trade Returns, we have, therefore, combined these articles in calculating the imports per head during the last 10 years :—

Net Import of Butter and Margarine.					Cheese.	
—	Butter.	Margarine.	Total.	Imports per Head of Population.	Net Imports.	Imports per Head of Population.
	Cwts.	Cwts.	Cwts.	Lbs.	Cwts.	Lbs.
1876	—	—	1,604,000	5·4	1,469,000	5·0
1877	—	—	1,558,000	5·2	1,587,000	5·3
1878	—	—	1,720,000	5·7	1,906,000	6·0
1879	—	—	1,966,000	6·4	1,736,000	5·7
1880	—	—	2,252,000	7·3	1,728,000	5·6
1881	—	—	1,950,000	6·3	1,788,000	5·7
1882	—	—	2,084,000	6·7	1,624,000	5·2
1883	—	—	2,251,000	7·1	1,739,000	5·5
1884	—	—	2,376,000	7·4	1,863,000	5·8
1885	—	—	2,290,000	7·1	1,776,000	5·5
1886	1,452,000	870,000	2,322,000	7·2	1,673,000	5·2
1887	1,417,000	1,251,000	2,668,000	8·2	1,772,000	5·4
1888	1,580,000	1,117,000	2,677,000	8·2	1,846,000	5·6
1889	1,833,000	1,211,000	3,044,000	9·2	1,835,000	5·5
1890	1,928,000	1,059,000	2,987,000	8·9	2,072,000	6·2
1891	2,051,000	1,225,000	3,276,000	9·7	1,964,000	5·8
1892	2,107,000	1,293,000	3,400,000	10·0	2,160,000	6·3
1893	2,246,000	1,279,000	3,525,000	10·3	2,003,000	5·8
1894	2,100,000	1,092,000	3,592,000	10·4	2,196,000	6·3
1895	2,750,000	922,000	3,672,000	10·5	2,063,000	5·9

It may be observed here that the value of the annual gross imports of butter, margarine, and cheese has ranged from about 14,300,000*l.* in 1876–78 to 21,600,000*l.* in 1893–95, and the value of the net annual imports of these articles at the present time is about 21,000,000*l.*

262. In addition to the products already mentioned, there is an increasing importation of condensed milk, the quantities received yearly having risen from 352,000 cwts. of a value of 735,000*l.* in 1888 to 545,000 cwts. of a value of 1,085,000*l.* in 1895.

263. Fresh milk and cream has also been imported in comparatively large quantities in the last two years, but this trade, which has apparently attracted some attention, seems to have been of a temporary character. The imports were first separately distinguished in 1894, when they amounted to 161,600 gallons; in the following year there was a total importation of 127,000 gallons; but there has since been a considerable decline, as will be seen from the following statement of the receipts in periods of six months :—

Months.		1894.	1895.	1896.
		Galls.	Galls.	Galls.
January to June	-	69,040	117,353	5,011
July to December	-	92,593	9,642	—

Practically, the whole of the fresh milk and cream imported has come from Holland and Sweden, the latter country having contributed the greater quantity.

264. From the table given above it is clear that since 1876 there has been only a slight increase in the amount of imported cheese consumed per head of the population, but the quantity of foreign butter and margarine available for consumption has risen in the same period from 5·4 lbs. to 10·5 lbs. Taking the statistics since 1886, the imports of margarine have shown few signs of development, and so far as the last two years are concerned they have absolutely declined. Butter, on the other hand, has been imported in increasing quantities, the net receipts having nearly doubled in the the past decade.

265. As regards the sources whence this large supply of foreign butter is obtained, an examination of the Trade Returns shows that about 50 per cent. is of Scandinavian

Reynolds,
41,651–2.
Gillespie,
50,719.
Mitchell,
54,268–9;
54,324–7.

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Sept. 1896,
Vol. II.,
p. 476, and
Vol. III.,
p. 212.

origin. The proportion per cent. of the total annual importations contributed by different countries may be seen from the table below :—

Years.	Scandinavia.		France.	Holland.	Germany.	Australasia.	Other Countries.
	Denmark.	Norway and Sweden.					
1886 - -	26·0	1·0	26·0	23·0	8·0	↖	16·0
1887 - -	32·3	11·3	27·5	10·7	10·3	0·4	7·5
1888 - -	36·1	12·7	26·3	9·3	9·7	1·6	4·3
1889 - -	35·1	11·3	29·5	7·8	5·7	0·8	9·8
1890 - -	40·7	11·3	25·9	7·7	5·1	2·0	7·3
1891 - -	41·0	11·3	25·0	7·0	5·4	2·5	7·8
1892 - -	39·5	10·9	24·9	6·5	5·7	4·0	8·5
1893 - -	40·2	12·4	20·1	6·1	7·1	7·3	6·8
1894 - -	42·8	11·0	16·5	6·4	5·4	11·3	6·6
1895 - -	41·1	11·5	16·1	6·8	4·0	11·1	9·4

A remarkable feature exhibited by the foregoing statement is the rapid growth of the imports of Australasian butter, which amounted in 1894 and 1895 to about 11 per cent. of the total foreign supply. Denmark has, however, been the principal source of importation since 1887.

266. In the absence of any reliable statistics as to the average price of butter of home production, it is impossible for us to ascertain the relative values of the home and foreign product, but it may be interesting to show here the value per cwt. of the butter imported from Denmark, France, and Australasia respectively, together with the average value of the aggregate importation from all sources :—

Years.	Average Value per Cwt. of aggregate Imports of Butter.	Average Value per Cwt. of Butter imported from—		
		Denmark.	France.	Australasia.
	£	£	£	£
1886 -	5·27	5·47	5·62	—
1887 -	5·29	5·47	5·4	3·55
1888 -	5·33	5·51	5·41	3·92
1889 -	5·32	5·53	5·44	4·62
1890 -	5·22	5·36	5·42	4·15
1891 -	5·43	5·55	5·67	4·96
1892 -	5·48	5·61	5·57	5·41
1893 -	5·48	5·64	5·72	5·14
1894 -	5·23	5·30	5·53	4·89
1895 -	5·04	5·12	5·37	4·55

It will be observed that the value of the colonial butter is lower than that of the Danish and French produce, and a further examination of the value of the imports from other sources has shown that the Australasian butter is lower in value than that of any other foreign country named as contributing to the supply.

267. The bulk of the imported cheese is furnished by the United States and Canada. Until 1890 the former country was the principal contributor, but during the last five years the receipts of Canadian cheese have been considerably in excess of those from the

United States. The course of the imports from these two countries since 1876 has been as follows :—

IMPORTS of CHEESE.

1876 to 1895.

Year.	Canada.			United States.		
	Quantity.	Value.	Value per Cwt.	Quantity.	Value.	Value per Cwt.
	Cwt.	£	£	Cwt.	£	£
1876	250,072	673,141	2·69	936,203	2,564,977	2·74
1877	214,215	603,705	2·82	1,082,844	3,129,829	2·89
1878	252,336	566,427	2·24	1,345,745	3,306,612	2·46
1879	277,663	543,247	1·96	1,214,959	2,467,651	2·03
1880	281,565	766,359	2·72	1,171,498	3,411,625	2·91
1881	299,469	844,646	2·82	1,244,419	3,555,702	2·86
1882	382,352	1,075,143	2·81	969,502	2,711,259	2·80
1883	482,183	1,264,520	2·62	990,963	2,695,704	2·72
1884	589,237	1,496,564	2·54	976,190	2,479,908	2·54
1885	606,769	1,231,737	2·03	844,205	1,865,164	2·21
1886	508,112	1,116,257	2·20	856,109	1,837,487	2·15
1887	632,886	1,555,352	2·46	760,920	1,851,004	2·43
1888	668,335	1,526,884	2·28	812,330	1,906,167	2·35
1889	675,600	1,565,114	2·32	825,670	1,895,679	2·30
1890	837,890	1,914,232	2·28	919,408	2,081,546	2·26
1891	857,841	1,991,597	2·32	774,893	1,779,260	2·30
1892	1,038,599	2,493,625	2·40	818,483	1,961,407	2·39
1893	1,046,704	2,575,893	2·46	645,235	1,578,531	2·45
1894	1,142,104	2,688,946	2·35	672,347	1,608,405	2·39
1895	1,150,018	2,335,548	2·03	500,419	1,099,283	2·20

268. From an examination of the statistical evidence referred to in the foregoing paragraphs, it is evident that there has been during the past 20 years a great increase in the supplies of foreign dairy produce, mainly in the form of butter, in the markets of the United Kingdom, but it is difficult to appreciate the exact extent to which these supplies compete with the home production. Some calculations have been put before us of the quantity of milk produced in the United Kingdom in certain years, and of the proportion manufactured into butter and cheese. But while it may be possible to estimate roughly the volume of raw milk yielded annually by the cow stock of the country, calculations as to the proportions of this milk converted into the manufactured products cannot be accepted with the same degree of confidence. We have, however, endeavoured to ascertain roughly the quantity of milk represented by the imports of butter and cheese relatively to the estimated yield of milk of home production. In converting the imported manufactured products into milk, it has been assumed that $2\frac{3}{4}$ gallons of milk are required for the manufacture of 1 lb. of butter and 1 gallon of milk for 1 lb. of cheese. As regards the home production, Mr. Turnbull has estimated the annual yield of milk, making allowances for variations in the period of lactation, at 34 cwts. or about 380 gallons per head of the total number of cows and heifers returned as in milk or in calf each year. Adopting this estimate, which we believe to be a reasonable one, the relations of the imports of butter, reckoning margarine also as butter, and of cheese to the milk produced annually in the United Kingdom, would work out as follows :—

Year.	Average Annual Home Production of Milk, less 15 per cent. for Calf rearing.	Average Annual Net Imports of Butter, Margarine, and Cheese represented as Milk.			Average Annual Total Supply of Milk, Home and Foreign.	Proportion per cent. of imported Milk in all forms to Total Supply of Milk, Home and Foreign.
		Butter and Margarine.	Cheese.	Total.		
	Galls.	Galls.	Galls.	Galls.	Galls.	
1876-78	1,203,684,000	501,218,000	185,248,000	686,466,000	1,890,150,000	36·3
1893-95	1,272,620,000	1,107,670,000	233,781,000	1,341,351,000	2,613,971,000	51·3

Turnbull, Vol. III., App. A. XX., p. 502.

Bear, 27,516. Hall, 42,174; 42,241. Read, 16,171. Dunstan, 44,929. Anderson, 45,052. Minutes of Evidence, Vol. IV., App. A. XX., p. 544.

If these figures can be regarded as approximately correct, it would appear that the imports of manufactured dairy products, including margarine, but excluding condensed milk, now represent in milk about 50 per cent. of the total milk supply of the United Kingdom. But as a large quantity of the home production of milk is consumed in its raw state, (Mr. Turnbull estimates the proportion thus consumed at 30 per cent.), it is obvious that the amount of foreign butter and cheese in the market must be largely in excess of the home production of these articles.

Minutes of
Evidence,
Vol. IV.,
App. A. XX.

269. Apart, however, from the results obtained by calculations based on estimates, such as those we have adopted above, it is possible to obtain some idea of the progress of dairying in this country by comparing the number of cows with the population at different periods. Taking the figures since 1875, the average annual number of cows and the number relatively to every 1,000 persons in Great Britain and Ireland has been as follows :—

Agricultural
Returns of
Great
Britain.

Years.	Average Annual No. of Cows.	Average Annual Population.	Cows per 1,000 of Population.
1875-77	3,760,000	33,205,000	113·3
1878-80	3,684,000	34,290,000	107·4
1881-83	3,679,000	35,197,000	104·5
1884-86	3,884,000	36,018,000	107·9
1887-89	3,854,000	36,886,000	104·5
1890-92	4,049,000	37,796,000	107·1
1893-95	3,940,000	38,781,000	101·6

It is evident from these figures that the production of milk relatively to the population must have declined, unless it be assumed that there has been a material improvement in the milk-yielding qualities of the cow stock.

270 Before concluding our remarks on dairy produce we may refer to some evidence put before us relating to the condition of the dairy industry in several of the countries whence we receive our foreign supply of butter and cheese. Dealing with Denmark in the first place, we find from a memorandum prepared by the Board of Agriculture that the development of dairying in that country has been closely connected with a remarkable extension of the co-operative system. This system has been introduced to meet the want of organisation felt by Danish farmers and has been eminently successful so far as the dairies are concerned. It is estimated that there are about 1,000 co-operative dairies in existence in Denmark.

Minutes of
Evidence,
Vol. III.,
p. 502.

The number of cows in Denmark, in the census years since 1871, has been returned as follows :—

Year.	Cows.	Cows per 1,000 of Population.
1871 - -	807,000	448
1876 - -	898,000	474
1881 - -	899,000	452
1888 - -	954,000	448
1893 - -	1,011,000	449

The Danish net exports of butter increased from about 29,000,000 lbs. in 1882-83 to 79,000,000 lbs. in 1892-93. About 97 per cent. of the total quantity exported is shipped to the United Kingdom.

It may be noted here that concurrently with the growth of the exports of butter there has been an increase in the consumption of margarine and inferior butter in Denmark, thus setting free a corresponding quantity of Danish butter for export. In the year ended March 31st, 1894, the Danish consumption of margarine was estimated at about 10 lbs. per head of the population.

As regards the present condition of agriculture in Denmark, Captain la Cour, who was formerly secretary to the Royal Danish Agricultural Society, states that the depressing influences, which have manifested themselves for several years past in the agriculture of most European countries, have also been experienced in Denmark. The cause of the depression is attributed mainly to the fall in prices of live stock, cereals, and butter, brought about by foreign competition. Particular stress is laid on the increasing competition of Australia in the English butter market.

Dunstan,
44,886;
44,925.

Evidence as to the stimulating effect of the co-operative system of dairying in the production of butter in Denmark has also been put before us by other witnesses who are acquainted with the conditions existing in that country.

Anderson,
Report on
bounties
granted by
the Govern-
ments of the
various
colonies.
C.—7960,
App. A.

271. The remarkable development of the export trade in butter from Australia has been fostered in some of the colonies by a system of Government grants in the shape of bounties.

In Victoria, which is credited with 80 to 90 per cent. of the annual exports of butter from the Australian continent to the United Kingdom, the payment of subsidies and bounties for the establishment of butter factories, and for the export of butter, has now been discontinued. The total expenditure in bonuses on the exports of dairy produce and fruit from that colony up to June 30th, 1895 amounted to 79,000*l*.

C.—7960.

In South Australia provision was made by an Act which came into force at the end of 1893 for the payment during a period of three years of a bonus of 2*d*. for every pound of butter exported to any port outside the Australian colonies. The amount authorised by the Act was not to exceed 12,000*l*. The payment of bonuses under the Act commenced in October 1893, and ceased in February 1895, during which period 616 tons of butter were approved for export, and bonuses amounting to 11,508*l*. were paid.

In Queensland provision has been made for the payment until 1898 of a bonus not exceeding 2*d*. per lb. on butter and 1*d*. per lb. on cheese exported, and for grants in aid of the erection of dairy factories.

No bounties are granted in New South Wales.

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272. One feature of the progress of dairying in Victoria has been the extension of the factory system. According to the latest official information there were 155 butter and cheese factories in operation in the colony, 1895, as compared with 74 in 1892, and out of an estimated total production of 35,580,000 lbs. of butter in the former year, nearly 27,000,000 lbs. were manufactured in the dairy factories. The increase in the exports of butter from Victoria since 1889 has been as follows:—In 1889–90, 829,000 lbs.; in 1890–91, 1,700,000 lbs.; in 1891–92, 4,793,000 lbs.; in 1892–3, 8,094,000 lbs.; in 1893–4, 17,141,000 lbs.; in 1894–5, 25,948,000 lbs.; and in 1895–6, 21,024,640 lbs.

C.—7960.
Journal of
Board of
Agriculture,
Sept. 1896.
C.—7960,
p. 31, and
Journal of
Board of
Agriculture,
Sept. 1894.
C.—7960.

Although no bounties have been paid on the exports of butter since 1893–4, the Victorian Department of Agriculture has made arrangements to store butter for export during the summer season in the Government refrigerating works for any period not exceeding three months, free of charge to the owner, and a sum of money has been voted to cover expenses incurred in the work. It is to be noted, also, that in 1895 provision was made for the payment of a bonus of 3*d*. per lb. on exports of cheese from the colony.

Journal of
Board of
Agriculture,
Dec. 1895.

273. In the Annual Report of the Queensland Department of Agriculture for the year 1894–95, it is stated that rapid strides have been made by the dairy industry of the colony since 1893. Factories or creameries have been established wherever milk is procurable in any quantity, especially on the Darling Downs, a district admirably adapted for dairying. The farmers and large landowners are said to be realising the importance of the industry, and the large proportions it bids fair to assume at no distant date. At the end of 1894 there were 23 cheese and butter factories and 27 creameries in the southern part of the colony, as compared with 16 factories and 13 creameries in the previous year.

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Board of
Agriculture,
Dec. 1895.

By the regulations made under the provisions of the Meat and Dairy Produce Encouragement Acts, 1893 to 1894, a bonus may be paid upon all butter and cheese made in Queensland of Queensland produce, whether at a factory or elsewhere, and exported after the 1st of January 1895, to any port outside the Australian colonies. The quantity exported in each shipment must not be less than 10 cwts. in the case of factories, or than 1 cwt. in other cases. The bonus is at the rate of one penny per pound for butter, and one half-penny per pound for cheese; but there is also an arrangement whereby any balance from the dairy fund at the end of the year shall be divided *pro rata* amongst the persons who have received bonuses during the year, but the total bonuses thus received must not in any case exceed twopence per pound on butter or one penny on cheese. All butter and cheese exported under these regulations must be examined and approved on behalf of the Government.

Up to May 30, 1895, only two shipments of butter had been made under these regulations.

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Agriculture,
Sept. 1896.

274. In New South Wales dairy farming has made much progress of late years, and there is every prospect of its development into an important industry. The

increasing popularity of this branch of farming is attributed largely to the introduction of the factory system in convenient centres, the great improvements effected in dairy appliances, and the establishment of direct railway communication with Sydney. It seems that dairying is not now, as formerly, wholly confined to farmers, since many graziers in a large way of business, especially near the coast, have lately turned their attention to the industry.

When the factory system was first introduced the factories were mostly co-operative and the processes of cream separation and butter-making were carried on together. This arrangement is gradually dying out, and central butter factories, fed by numerous separating establishments called "creameries," are taking the place of the others. The advantages gained from this change are said to be considerable; a butter of more uniform quality is made in each centre, and there is a reduction in the cost of manufacture owing to the greater quantity made and the use of improved appliances, such as refrigerators, which the larger establishments can profitably provide.

The number of dairy cows in the Colony is returned as 438,211, and the production of butter is estimated to have increased from 15,500,000 lbs. in 1889 to 27,359,000 lbs. in 1895.

The annual output of butter in New South Wales is now estimated to exceed the local requirements during the summer months by nearly 75 per cent., and nearly all the surplus is exported to the United Kingdom. According to the Trade Returns, 837 cwts. of butter were received from this Colony in 1895.

275. As regards the dairy industry of South Australia it is stated in the report of the Agricultural Bureau of that Colony for 1893-94 that very satisfactory progress had been made in the establishment of private and co-operative creameries, and that the bounties had very largely assisted in this development, although the chief factor seems to have been the low price of wheat, which compelled farmers to divert their energies to more profitable channels. It is noted that in districts where dairy factories and creameries have been established several of the small local landholders are increasing their herds of dairy cattle. South Australia exported only 1,351 cwts. of butter to the United Kingdom in 1895.

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C.—7960.

276. As France occupies the second place among the countries exporting butter to the United Kingdom, we may refer here to some evidence put before us by Mr. Lovell as to the factory system in Normandy of preparing butter for export. Mr. Lovell said: "In Normandy the factory system is this, that the large dealers in it attend all the markets in the country to buy the butter. The butter is brought there by the farmer unsalted. It is there purchased by the dealer according to the quality of the butter; it may be the first, the second, the third, the fourth, or the fifth class; it is weighed and paid for accordingly at once in cash. The producer has nothing to do with the package. He brings it in a clean cloth and basket. It is weighed on the scale and turned out, and the buyer puts it into baskets according to the quality that he has purchased it for. Then when he gets it back to the factory, the butter is again inspected by competent persons in the factory, and all of the first-class is put together, and all of the second, and so on. It is blended through a mixing machine, and that brings it all to one consistency and one quality, and in the winter time, when it is requisite, colour is added to it. Thus, you see, you get a uniform quality of that particular grade. That is the system on which the factory business is carried on."

Lovell,
62,353.

277. Turning next to Norway and Sweden, we find that there has been a steady growth of the receipts of butter from Swedish and Norwegian ports, a development which has been particularly marked during the past decade. Ten years ago our annual imports of butter from Sweden did not exceed 149,000 cwts. In the interval, however, the consignments received from that country have increased from year to year, with the exception of a slight check in 1892, and in 1895 they amounted to 310,809 cwts. The imports of Norwegian butter have also doubled during the same period, but the trade is as yet of very small proportions, the annual receipts having only once exceeded 20,000 cwts. during the last 10 years.

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On reference to the trade statistics of Sweden, it will be found that the bulk of the butter exported from that country is shipped to Great Britain. Taking the figures of each of the past three years, it appears that the total quantity of butter exported from Swedish ports in 1893 was 396,000 cwts; in 1894, 438,000 cwts.; and in 1895, 469,000 cwts. In the same years, the shipments of Swedish butter to British ports amounted to 267,000 cwts., 266,000 cwts., and 311,000 cwts. respectively. The difference between these figures and the total exports represents a balance of about 150,000 cwts. annually, nearly all of which is exported to Denmark, and subsequently

re-exported to the United Kingdom, so that the amount of Swedish butter actually received in this country is much greater than the quantities entered as imported from Sweden. Thus, according to a report recently issued by the Agricultural Department at Stockholm, the total consignments of Swedish butter received at British ports last year amounted to between 440,000 and 450,000 cwts., or about 130,000 cwts. in excess of the quantity returned as of Swedish origin in the Trade Returns.

In Sweden there are over 1,500 dairies, of which by far the larger number are fitted with modern appliances for the separation of cream from milk. According to a statement prepared by the State dairy instructor, and published in 1894, the mechanical separator was then in use in 900 dairies, while in 526 the cream was separated by the use of ice, on what is known as the Swartz process. Co-operative principles have not made much progress among Swedish agriculturists, consequently the number of dairies owned by associations of dairy farmers form a comparatively small proportion of the total number of such establishments. Of the 1,500 dairies enumerated in the report referred to above, over 800 were described as estate dairies, while 610 were "buying up" dairies or establishments run by individuals or companies purchasing milk from the farmers.

In the south-west of Sweden, co-operative dairies are said to have been very successful, but it is believed that they are not likely to increase in number or importance in other districts, as they are unable to compete with the estate dairies in respect of good management and excellence of produce.

The native Swedish cattle are small, but the dairy herds have been largely improved by crossing with English, Scotch, and Dutch breeds, chiefly Ayrshires and East Frisians. During the greater part of the year the animals have to be stall-fed, owing to the severity of the climate. The total number of cows in Sweden, according to the latest official estimates, is 1,683,116.

278. With reference to the prominent position occupied by Canada among the countries exporting cheese to the United Kingdom, it is worthy of notice that Canadian cheese is made for the most part in factories. The extension of dairying in Canada has been mainly in the direction of cheese-making, as will be seen from the following table, which shows the exports of butter and cheese of Canadian production for each of the last five years:—

Lovell,
62,395.

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Year.	Butter.		Cheese.	
	Quantity.	Value.	Quantity.	Value.
	Lbs.	£	Lbs.	£
1891 - - - -	3,768,101	125,453	106,202,140	1,981,000
1892 - - - -	5,786,696	220,012	118,270,052	2,427,586
1893 - - - -	7,036,013	270,170	133,946,365	2,793,223
1894 - - - -	5,534,621	228,247	154,977,480	3,226,706
1895 - - - -	3,650,258	145,308	146,004,650	2,969,375

There is said to be much less difference than used to prevail between the qualities and values of the cheese from the different provinces and the different sections of each province. The methods of manufacture are now nearly uniform throughout the whole Dominion.

In Canada a comparatively new departure in dairying has been made in the fitting up of factories for manufacturing butter from October until May. Two winter dairying stations were established in Ontario under the charge of the Dairy Commissioner in 1891. During the winter of 1893-94 seven of these butter-making stations were conducted by the Dairying Service of the Department of Agriculture, and ten were operated during the winter of 1894-95. A large number of cheese factories have been fitted up by the proprietors for the manufacture of butter during the winter, and this new industry may now be considered as established in the province of Ontario and well introduced into the other provinces. It appears that the direct revenue from the sales of butter is not the only advantage which results to the farming interest from an extension of winter dairying. By means of it the number and capacity of the cows which can be reared and kept upon farms are increased and improved; and by the use of skim-milk and buttermilk large numbers of swine can be reared and fattened.

Some trial shipments of Canadian cheese in cold storage compartments made during last summer are reported to have been very successful, and it is said to be probable that

hereafter advantage will be taken of cold storage service for the export of large quantities of cheese during the summer months to Great Britain.

279. From this short review of the circumstances connected with the progress of dairying in some of the countries contributing to our supply of butter and cheese, it would appear that in all of them the industry has been organised to a large extent on the factory system, co-operative or otherwise, and that the growth of their export trade in dairy produce has been closely associated with the development of this system. In the case of the Australian trade allowance must be made for the artificial stimulus afforded by the subsidies and bounties referred to above, although their withdrawal is said to have had no effect as yet on the exports from Victoria. C.—7960.

Other Products.

280. In the preceding paragraphs we have discussed the leading features connected with the growth and intensity of the foreign competition in the chief products of agriculture, and we now propose to examine briefly the course of the import trade in vegetables, fruit, poultry, and other farm produce.

281. Dealing in the first place with hops, we find that the imports have remained practically stationary throughout the past 20 years, although there have been some fluctuations. Taking the period 1876–78, the average annual importation of hops from all sources was 195,000 cwts., and in 1893–95 it amounted to 203,000 cwts.; the average value of the imports at the former period was 4*l.* 7*s.* 7*d.* per cwt., while in 1893–95 the average value was 4*l.* 4*s.* per cwt. Hops.

282. As regards the imports of raw vegetables, potatoes and onions are separately shown in the Trade Returns, but all other vegetables are classed together, and their value only is given. In the case of potatoes, the gross quantities received annually from abroad since 1884 have ranged from nearly 2,000,000 cwts. to 3,500,000 cwts., but in several years prior to 1884 the gross imports were considerably in excess of these quantities. The average annual net importation in 1893–95 amounted to 2,069,000 cwts. Potatoes.

Since 1886 the average price of the imported potatoes has varied from 6*s.* 3*d.* to 7*s.* 11*d.* per cwt.; in the 10 years prior to 1886 prices were somewhat lower. It must not be overlooked that a large proportion of these imports consists of early varieties which realise prices much in excess of the home-grown potatoes which come into the markets later in the season. The Channel Islands and France now furnish the bulk of the imported supply.

There has been a great increase in the imports of raw onions during the past 20 years, the quantities received annually having risen steadily with few fluctuations from an average of 1,893,000 bushels in 1876–78 to 5,232,000 bushels in 1893–95; the average value per bushel in the earlier period was 4*s.* 3*d.* as compared with 2*s.* 10*d.* per bushel in 1893–95. From 20 to 25 per cent. of the annual importation of recent years has been credited to Spain; the exports of Spanish onions to this country have increased from an average of about 41,000 bushels in 1876–78, to nearly 1,300,000 bushels in the last three years. Holland, Egypt, and France contribute about 50 to 60 per cent. of the total importation of this vegetable. Onions.

The annual value of the imports of other kinds of vegetables not separately distinguished in the Trade Returns has risen from an average of 227,000*l.* in 1876–78 to over 1,100,000*l.* in 1893–95. The bulk of this importation is no doubt made up of early vegetables which enter into consumption before the home-grown produce is ready for market. Other vegetables.

283. Turning next to raw fruit, we find that prior to 1882 the only varieties distinguished in the Trade Returns were oranges and lemons. Apples have been separately shown since that year, and cherries, grapes, pears, and plums since 1892. The imports of apples have fluctuated considerably, but in each of the last five years they have never been less than 3,000,000 bushels, and in 1892 and 1894 they amounted to 4,575,000 and 4,969,000 bushels respectively. In 1882–86 the quantities received yearly ranged from 2,251,000 bushels to 3,261,000 bushels. The average value per bushel in 1882–84 was 5*s.* 9½*d.* as compared with 5*s.* 5½*d.* in 1893–95. The chief countries exporting apples to the United Kingdom are Canada, the United States, and Belgium, while the consignments from Australasia are increasing, although they have not yet exceeded 158,000 bushels. Raw fruit. Apples.

Cherries,
grapes,
pears, and
plums.

Statistics relating to the quantities of cherries, grapes, pears, and plums imported are available only since 1892 and no indications can be drawn from them as to the course of the trade in these fruits, the imports of which have been of the average annual value of 1,565,000*l.* in the four years 1892-95. The imports of fruit unenumerated include varieties not produced in this country.

Dried and
preserved
fruit.

In addition to the trade in raw fruit there is a large importation of non-dutiable dried and preserved fruit which has amounted in value to over 500,000*l.* annually in 1893-95. The annual value of the imports of dutiable preserved fruits, excluding currants, figs, and raisins, does not exceed 100,000*l.*

Brown,
62,172.
Poultry and
game.

284. Evidence has been put before us by an expert witness to the effect that there is a steadily increasing demand for poultry and eggs in the United Kingdom, and this view is confirmed by the trade statistics. Only the values are shown of the imports of poultry and game, and until 1885 these included rabbits. In 1876-8 the average annual value of the importation of poultry, game, and rabbits was 340,000*l.*, while in 1893-95 it was 855,000*l.*

Eggs.

During the same period there has been a remarkable augmentation in the supplies of foreign eggs, the average annual receipts of which in 1876-78 were 763,000,000 or 23 per head of the population, while in the last three years they have amounted to 1,426,000,000 or 37 per head of the population. Prior to 1878 the average value of the imported eggs ranged from 9½*d.* to 10*d.* per dozen. Since 1879 their value has always been below 9*d.* per dozen, and in 1894 and 1895 it was about 7½*d.*, the lowest average price yet recorded.

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Our supplies of foreign eggs are drawn chiefly from Germany, Russia, France, and Belgium, though the exports returned as from the latter country consist largely of eggs in transit from Italy, and the eggs from Germany are to a large extent of Austrian, and Hungarian production. Danish eggs have recently been received in increasing quantities, and we understand that an attempt has been made to organise the egg export trade of that country with a view to increasing the consignments to the United Kingdom.

Brown,
62,201.

As regards the extent of the competition in poultry the witness to whom we have referred above stated that this was confined to the poorer qualities. He estimated that 35 per cent. of the eggs used for food were of foreign origin.

Brown,
62,250.

Lard.

285. Another product which has been imported in increasing quantities during the past 20 years is lard, the foreign supply of which has risen from an average yearly import of 687,000 cwts. in 1876-78 to 1,420,000 cwts. in 1893-95. Over 95 per cent. of the total quantity imported is obtained from the United States, which has contributed practically the whole of the supply throughout the period under review.

The average value of this imported product fluctuates considerably. In the four years, 1876-80, it ranged from 33*s.* 8*d.* to 56*s.* 2*d.* per cwt.; in the next five years the range was 36*s.* 9*d.* to 56*s.* per cwt.; in 1886-90 it ranged from 32*s.* 9*d.* to 41*s.* 1*d.*; and in the last five years it has varied from 32*s.* 7*d.* to 50*s.* per cwt.

Skins, hides,
tallow, hay,
straw, and
seeds.

286. Among other imported articles which may be said to compete, to some extent, with similar raw products of British agriculture, are undressed sheep and lambs' skins, hides; grease, tallow, and animal fat; hay and straw; and some kinds of seeds. There has been a progressive increase in the annual imports of undressed sheep and lambs' skins in the past 20 years; the average number received from abroad having risen from 9,000,000 in 1876-78 to over 14,000,000 in 1893-95; in the same period the average value of these skins has declined from 2*s.* 6*d.* to 2*s.* each. The imports of raw hides have remained practically stationary since 1876. The average quantity of tallow and stearine imported annually in the last three years has been 1,800,000 cwts. as compared with 80,000 cwts. in 1876-78; at the earlier period the average value per cwt. was 41*s.*, while in 1893-95 it was 25*s.* 6*d.* Hay was not separately distinguished in the Trade Returns prior to 1892, and it is also only since that year that complete statistics are available of the imports of straw. In each of the years 1893 and 1894, the quantities of hay imported exceeded 250,000 tons, but this importation was undoubtedly abnormally large owing to the scarcity of fodder in this country in the season of drought of 1893-94. In 1895 the imports of hay amounted to 118,795 tons. The value of the imported hay has ranged from 3*l.* 8*s.* in 1895 to 5*l.* 5*s.* per cwt. in 1893. The imports of straw have ranged from 26,000 tons to 69,000 tons yearly; in 1895 the importation was 41,532 tons. Of the seeds imported only clover and grass seeds require notice here. The imports of these seeds fluctuate considerably from year to year; in 1895 they amounted to 20,000 tons, of the value of 856,000*l.*

287. Horses have been imported in increasing numbers during the past 10 years, **HORSES.** while the exports of home-bred horses have also exhibited an upward tendency. In 1893-95 the average number of horses imported annually was 23,600, of the value of 616,000*l.*; the average yearly exports of home-bred horses in the same period numbered 16,600, of the value of 502,000*l.*

SUMMARY.

288. From the foregoing analysis of the evidence put before us relating to foreign competition, it is clear that there has been a remarkable increase in the imports of all forms of agricultural produce during the past 20 years.

289. Of the various products of British agriculture, wheat has been the most affected by this development, the foreign supply of this grain having gradually displaced the home production until the latter now constitutes barely 25 per cent. of the total quantity needed for consumption annually in this country. There has been no similar displacement of the other home-grown cereals, but in the case of barley it is worthy of notice that the low-priced varieties grown in Eastern Europe, which were imported in comparatively small quantities in 1876-80, now form the larger proportion of the foreign supply, and this change has been of some influence in the determination of the price of British barley. The price of feeding barley, as well as of oats, has also been affected to some extent by the large consumption of maize.

290. As regards meat we have been unable to trace any actual displacement of the home produce by the growth of the imports. The supply of foreign beef and mutton apparently meets a demand for cheap meat which has not hitherto been satisfied by the home production, and while it has undoubtedly seriously affected the price of the inferior grades of British produce, its influence on the superior qualities has been much less marked. Foreign competition has been, on the whole, perhaps more severe in pork than in other classes of meat, but it has been confined mainly to bacon and hams.

291. In the case of wool, the facts at our disposal show that there has been a progressive increase in the foreign supplies of this staple, and there has been some displacement of the home-grown product. The net imports form so large a proportion of the total supply that they must be an important factor in the determination of the price of British wool.

292. With respect to the extent of the foreign competition in dairy produce we have estimated that the importation of butter, margarine, and cheese represents more than 50 per cent. of the total quantities of these articles available annually for consumption.

293. In dealing with cereals, meat, wool, and milk, we have attempted to gauge the intensity of the foreign competition by estimating approximately the ~~dimensions of~~ the volume of imports relatively to the aggregate supply of home and foreign production. The absence of satisfactory data has rendered it impossible for us to apply this method to the imports of vegetables, fruit, poultry, eggs, and other articles, but in view of the facts to which we have referred in paragraphs 280-287 above, it is evident that in most of these products the growth of the foreign supplies must be regarded as a serious element of competition with which the British producers have had to reckon.

294. It is, we think, important to note that in nearly every case, subject to the reference in paragraph 185 to the case of wheat, the expansion of the imports has been accompanied by a contraction in the price of the several products concerned, and that there has been a general correspondence between the fall of price and intensity of foreign competition.

295. An investigation as to the sources contributing to the increasing volume of imports of agricultural produce has shown that the United States has held the premier position throughout the last 20 years in the supply of wheat and meat, excluding mutton, while she has also contributed the major portion of the imports of maize, although her shipments in this article since 1890 have been exceeded by those of Roumania. Argentina has in recent years ranked next to the United States as an exporter of wheat and meat to this country. Other prominent contributors to the imports of cereals are Russia for wheat and barley and India for wheat alone, though the Indian

supply has fallen off considerably. Australasia is responsible for the major portion of the imports of wool and mutton, and we have recently received large consignments of butter from this source. Denmark furnishes between 40 and 50 per cent. of the butter imported annually; Canada and the United States practically monopolise the import trade in cheese; while Holland supplies nearly the whole of the margarine.

296. We have already discussed in some detail the conditions under which the exports from the United States have been maintained. The great feature of the production of wheat in that country has been the steady movement of the centre of cultivation towards the virgin soils of the comparatively newly settled States in the west and the reduction of the wheat acreage in the older eastern and central States. This change has proceeded concurrently with a progressive fall in the price of wheat, and may be explained to some extent by the fact that the cost of production in the more recently settled territories is considerably less than in the regions which have been settled and cultivated for a longer period. The rapid development of the exports of wheat from Argentina is also to be attributed partly to the circumstance that the expenses of cultivation on the "extensive" system adopted on the virgin lands of that country are much below those incurred by producers in older centres of production where the exhaustion of the natural fertility of the soil has rendered necessary a greater application of labour and manures. Several estimates have been put before us of the outlay required to produce a bushel of wheat in North and South America, Australia, and Great Britain respectively, and although we should hesitate to attempt to appreciate exactly from such estimates the relative positions of the wheat-growers in the several countries, we are convinced that the balance of advantage is decidedly in favour of the producers in Argentina, the Western States of America, and in the Colonies.

297. With reference to Argentina it has been held by several expert witnesses who have appeared before us that her exports of agricultural produce have been largely stimulated by the depreciation of the Argentine paper currency, and that a similar cause has operated in favour of the producer in Russia. It has been maintained also that the decline in the gold value of the rupee enabled the production of wheat for export to be continued in India in spite of the fall in the gold price of that cereal.

298. No detailed evidence has been placed before us as to how far the improvements in the means of transport have enabled producers abroad to maintain their consignments to British markets during a period of falling prices, but the witnesses who have referred to this subject have agreed that the development and improvement of the lines of communication by land and sea and the reduction of freight rates have facilitated the cultivation of the fertile areas in North and South America and in the Colonies, and have generally contributed in no small degree to the growth of foreign competition.

299. The circumstances which have attended the growth of foreign competition in dairy produce are entirely different from those to which we have referred in connection with the imports of other products. The ability of the foreign producer of grain and meat to compete with so much success in our markets is due, to a large extent, to the superiority of the natural and climatic conditions under which his business is carried on, but the successful competition of the foreigner in our butter and cheese markets is to be credited mainly to the fact that the dairy industry is better organised abroad than in Great Britain.

300. In connexion with the general subject of foreign competition, we have also to draw attention to a memorandum submitted by Sir Robert Giffen (see Appendix V.), in which he suggests that the decline in the price of wheat itself may be partly attributed to the great increase in the supply and consumption of meat during the last 20 years, which has either diminished the demand for wheat per head among the people consuming wheat, or has checked the increase of that demand, which might have been expected to follow a great decline in price. This competition of article with article is, of course, a matter to be considered as well as the direct competition between foreign countries and Great Britain in the production of particular articles.

301. We have now summarised the principal deductions to be drawn from the information at our disposal. While we have fully recognised the importance of the question as to how long foreign competition is likely to continue in its present intensity, the evidence we have received does not enable us to express any definite view on the point. There seems to be some ground for the opinion that the existing conditions

Harris,
4762-7,
4843.
Craigie,
40,308,
40,322,
40,323.
See also
pars. 190-4,
supra. Fox,
Lincolnshire
Rep., p. 143.
Rew, Nor-
folk, p. 30.
Rew, Salis-
bury Plain,
p. 8.
Rew, Dorset,
p. 11.
Spencer
Hertford,
p. 11.

Clay, 8200,
8333, 8456.
Harris,
4992-94.
Foxwell,
3,718.
Farrer,
38,284,
38,289,
38,335.
Thomson,
45,971.

are not such as to encourage the United States to continue to export wheat and meat to this country on the scale to which we have hitherto been accustomed, but so far as we can judge it would be a mistake to assume that that country has yet reached the limit of her productive and exporting capabilities, for it is generally agreed that with an improvement in prices the United States could maintain their present position as a competitor in British markets, though this must eventually become more and more difficult with the increasing demands of their population and with the diminishing area of the virgin soils in the west. Clay, 8204, 8281.

302. But although there may be visible limits to the competition of the United States, the agriculturists of Great Britain have now to reckon with a new competitor in South America. The information, official and otherwise, put before us with regard to the agricultural capacities of Argentina undoubtedly shows that there is an immense area of virgin soil in that country ultimately available for the production of cereals and meat, while the climatic and other natural conditions are exceptionally favourable to the pursuit of agriculture. These facts, taken in conjunction with cheap labour and with the artificial stimulus arising from monetary causes, afford substantial support to the argument that the rapid growth of the Argentine export trade during a period of exceptionally low prices is of very serious moment to the present and future interests of British agriculture.

303. In Australia, too, we understand that there are great tracts of unbroken fertile land suitable for the production of wheat, and while the cost of production and transport relatively to the prices recently prevailing in our markets has been, perhaps, too great to stimulate a more extended cultivation of wheat in the Antipodes for export to Great Britain, it is possible that an improvement in price would lead to the opening up of fresh areas of competition in the Australian Colonies. Thomson, 45,946.

304. Contrasting the natural and economic conditions existing in the several countries mentioned above and in Great Britain, we fear that there is no near prospect of any permanent abatement in the pressure of foreign competition.

CHAPTER III.

Cost of Production.

305. It cannot be doubted that with a continuous fall in the value of agricultural produce the farmer finds it impossible at once to adjust his expenditure to his decreased returns.

LABOUR.

306. One of the largest items of expenditure by the farmer is that of manual labour, amounting as it does to at least 30 per cent.* of his total outlay.

A number of witnesses who have appeared before us have complained of the increased cost of labour,† and this is particularly the case with regard to Northumberland, Scotland, and Wales. Some witnesses have alleged that the increased cost of labour has been one of the main causes of depression.‡

307. We have previously discussed (paras. 130–139) the question of the wages and earnings of the agricultural labourer, and arrived at the conclusion that since 1892 there has been a downward tendency in wages in those counties of England which are largely arable; but the cost of labour is not to be measured by the current rate of wages.§ If, as

Vide appendix III. Memorandum on farm accounts.

* A memorandum on the farm accounts supplied to us which has been prepared shows that the average expenditure on labour on 77 farms during recent years was 31·4 per cent. of the total expenditure, and at the rate of 25s. 5d. per acre.

† Cocks (*Devon*), 1864; Ingram (*Sussex*), 3592; Hope (*Scotland, E.*), 12,198; Read (*Norfolk*), 16,153–8; Ferguson (*Perth*), 22,911–23,155; Scott (*Northumberland*), 30,025; Wilkinson (*Northumberland*), 31,338; Bowen Jones (*Salop*), 44,600; Hannah (*Ayr*), 51,283; Stuart (*Banff*), 51,815; Dickie (*Argyll*), 52,324; Fyshe (*Fife*), 53,960; Smith (*E. Lothian*), 54,365; Roberts (*Carnarvon*), 55,863; Griffith (*Pembroke*), 60,770.

‡ Ingram (*Sussex*), 3699; Campbell (*Perth*), 54,820; Drummond (*Carmarthen*), 69,201.

§ Read (*Norfolk*), 16,159, 16,500; Huskinson (*Notts*), 728, 961, 1127, 1199; Cocks (*Devon*), 2035; Middleton (*Yorks*), 2663; Ingram (*Sussex*), 3592; Wyatt (*Somerset*), 10,821; Rolleston (*Leic.*), 13,418;

is frequently asserted, a less amount of work is done in the day, if the hours of work have been shortened, and if the labourers are less capable or less industrious than they formerly were, the cost of work may have increased without any rise in wages. It is only fair to state that there were several witnesses* who would not admit that the labourers of the present day in their districts were at all inferior to those of former days; but a general opinion exists among farmers that less work is done during a given time than formerly. Whether the sum paid for labour at different periods represents the same amount of work or not, it is evident that if the amount expended has remained the same, or fallen in a less degree than the value of the farmers' produce, the share of that produce received by the labourer has increased.

308. The farm accounts which have been furnished to our Assistant-Commissioners show the sums paid for labour on a large number of farms for a series of years past. Before noticing these accounts we would, however, point out that very generally changes have been made in the system of farming with the object of reducing labour, for instance, by the laying down of land to permanent pasture, the prolongation of the temporary grass layers, the adoption of labour-saving machinery, and the very common omission of all work not absolutely necessary, and that these changes might have been expected to considerably decrease the total outlay on manual labour.

Memo-
randum,
App. III.

309. Turning to the accounts previously mentioned, we would refer to a memorandum prepared by one of our colleagues, which purports to show the actual and relative increase or decrease in the cost of labour on certain farms.

It would appear that on the whole these accounts show some decrease in the actual outlay on labour in recent years as compared with 1884 and previous years.

In some instances the decrease in expenditure is so great as to suggest a considerable change in the system of cultivation.

In a few cases there is shown an increase of expenditure, and this is more particularly to be noticed in accounts which cover a period of less than 10 years.

In others there is a remarkable stability in the actual outlay on manual labour.

310. When, however, the question of the relative cost of labour is examined, it will be found that in almost every instance which has been examined, the ratio which labour bears to gross profits has increased. A striking illustration of the relative increase in the cost of labour where the actual amount paid has remained practically stationary is furnished by the account No. XI. (C.-8125 of 1896). A reference to Table VIII., Appendix III., will show that, taking three periods of seven years from 1875-95, the cost of labour in ratio to the gross profits of the farm (*i.e.*, the sum divided between the landlord and the tenant) the comparative results were as follows:—

	1. 1875-81.	2. 1882-88.	3. 1889-95.
Gross profits taken as - - - -	100	100	100
Ratio of labour to gross profits divisible between owner and occupier.	55·3	72·0	120·2
Ratio of labour to the total sum divided between the owner, occupier, and labourer.	35·6	41·9	54·6

Other instances of a similar increase in the relative proportion of the produce of the farm received by the labourers may be found in Table VIII., Appendix III.

311. Without entering upon the question whether or not the labourer receives a fair proportion of the produce of the land, it is clear that his share of that produce is much greater than it was, and that the farmer has not been able in the matter of labour to adjust his expenditure to his diminished receipts.

Lopes (*Devon*), 17,221; Edwards (*Cheshire*), 25,160; Scott (*Northumberland*), 30,003; Brown (*Bedford*), 35,775; Collins (*Cornwall*), 37,206; Treadwell (*Bucks*), 39,768; Lawes (*Herts*), 41,176; Looker (*Hunts*), 41,269; Bowen Jones, (*Salop*), 44,601; Hughes (*N. Wales*), 50,373; Stuart (*Banff*), 51,872; Ballingall (*Fife*), 54,139; Riddell (*E. Lothian*), 54,685; McConnell (*Wigtown*), 55,214; Britten (*Northampton*), 56,497; Jenkins (*Glamorgan*), 56,874; Pennant (*Flint*), 57,272; Griffith (*Pembroke*), 60,784.

* Watson (*Oxon*), 2100; Wantage, (*Berks*), 4527; Ralston (*Perth*), 24,581; Stratton (*Monmouth*), 35,136; Epton (*Lincoln*), 35,930; Olver (*Cornwall*), 37,470; Adams (*Berks*), 42,009; Hutchinson (*Yorks*), 43,758; Flockhart (*Fife*), 52,743; Roberts (*Carnarvon*), 56,002.

FEEDING STUFFS AND MANURES.

312. Another considerable item of the farmer's expenditure is that upon feeding stuffs and manures. The memorandum on farm accounts already referred to (Appendix III., Table IX.) shows that on 59 farms the average expenditure on this item was, in the latest year of account, not less than 22s. 3d. an acre, and more than one fourth of the whole of the farmer's expenditure of the year.

Feeding
stuffs and
manures.

313. There is no doubt that within the last 10 years there has been a considerable decrease in the cost of cake and artificial manure, while the low price of corn has led to its being largely used in place of linseed or cotton cakes. Notwithstanding this decrease in value, it would appear from Table X., Appendix III., that in several cases the amount expended on feeding stuffs and manures, has largely increased. This may perhaps be accounted for by the increased production of milk, as is clearly the case with regard to the Account No. XXIV. (C.—8125 of 1896), and it may be assumed that the freedom which many farmers now possess of selling hay and straw to a considerable extent requires an increased supply of manure to the farm.

An increased output from the farm justifies and necessitates greater expenditure. Whether the receipts would increase in the same ratio as the expenses is somewhat doubtful.

314. In Table XI. of the memorandum the average value of the gross produce of the farm during different periods is compared with the average expenditure on feeding stuffs, &c. In six of these accounts the amount expended has increased absolutely and relatively; in ten it has increased in proportion to the gross produce. In eight cases it has decreased in the actual amount, and in three of these it has been relatively smaller, having regard to the produce, than it was in previous periods.

315. We may, in conclusion, point to the fact that in one case where the decreased expenditure on these subjects has been most marked the farm has been almost entirely converted to pasture (Appendix III., Table X., Account No. LXXX. (C.—8125 of 1896)).

In so far as these farm accounts can be relied upon as fairly representative of the conditions on well-managed farms, they afford no reason for supposing that in the two large items of expenditure, viz., manual labour and feeding stuffs and manures, which appear to cover from 50 to 60 per cent. of his whole expenditure, the farmer has been able to adjust his expenditure to his decreased receipts.

PART III.

Miscellaneous Subjects bearing on the Agricultural Position.

CHAPTER I.

THE AGRICULTURAL HOLDINGS ACTS—ENGLAND, 1883, AND
SCOTLAND, 1883.

316. We have taken a large amount of evidence on the subject of these Acts and of the defects which experience has revealed in them, and we have received many suggestions for their amendment. We propose to notice the principal objections which have been urged as to their provisions, and to the manner in which they have been administered ; but before doing this it will be desirable to state briefly the course of recent legislation on the subject of tenant right in Great Britain.

317. The Agricultural Holdings (England) Act of 1875 established the presumptive right of a tenant to receive compensation in respect of the unexhausted value improvements which he had made, and for expenditure, of which he had not had an opportunity of recouping himself.

318. The Act divided the several improvements in respect of which compensation might be claimed into three classes. For those included in the first class the previous consent of the landlord was required, and the tenant's interest in them was limited to a period of 20 years. For those of the second class, notice to the landlord before execution of the work was required, and the tenant's interest was limited to seven years. The basis of compensation with regard to these two classes of improvements was the original cost with the deduction of a proportionate part thereof in respect of each year that the tenant had enjoyed the fruit of his expenditure. The third class of improvements which required no previous consent of, or notice to, the landlord was to be regarded as exhausted after two years, and the basis of compensation was to be such proportion of the sum properly laid out on the improvement as fairly represented the value thereof to an incoming tenant.

319. The principle of compensation under this Act was that of the "custom" which had grown up in Lincolnshire and some other counties, where it had given satisfaction to all classes of agriculturists. The Act, however, contained provisions enabling parties to contract themselves out of it, and in the case of tenancies then existing it enabled landlords or tenants to give notice that the existing contract of tenancy should remain unaffected by the Act. The opportunity of "contracting out" was very generally seized, the initiative being in many cases taken by tenants who preferred their existing agreements or the custom of the district, to the provisions of the Act. In numerous instances where the Act was excluded, agreements giving somewhat similar terms of compensation to those of the Act were granted, but in many cases landlords gave notice that the provisions of the Act should not apply, and did not enter into any agreement securing to the tenant compensation for unexhausted improvements.

320. The Richmond Commission reported on the subject in 1882 in the following terms :—

COMPENSATION FOR UNEXHAUSTED IMPROVEMENTS.

Richmond
Commission
Report,
1882.

"We are of opinion that, notwithstanding the beneficial effects of the Agricultural Holdings Act, there are many parts of Great Britain in which no sufficient compensation for his unexhausted improvements is secured to the tenant. In many cases landlords have not offered, and tenants have omitted to ask, for the fair compensation which we believe it is the interest of both that the tenant should enjoy, and to which we think he is entitled.

"In some counties and districts this compensation is given by established customs, in others such customs are insufficient, or do not exist.

"Upon the most careful consideration of the evidence before us, we have arrived at the conclusion that further legislative provision should be made for securing to tenants the compensation to which they are equitably entitled in respect of their outlay, and we recommend that the principles of the Agricultural Holdings Act relating to compensation should be made compulsory in all cases where such compensation is not otherwise provided for.

"It would, however, in our opinion, be advisable so far to amend the provisions of the Act as to make the compensation depend upon the additional value given to the holding, and we wish it to be understood that no compensation should be required to be paid by the landlord or the incoming tenant except for outlays which are valuable to him in the future cultivation of the farm."

321. The Act of 1883, adopting the recommendation of the Richmond Commission, did away with the time limit as regards the tenant's claims for improvements, and laid down as the basis for compensation for all improvements recognised by the Act "the value of the improvement to an incoming tenant." It removed "drainage" from the class of improvements which required the previous consent of the landlord, and provided that if, after notice given, the landlord failed to execute works of drainage demanded by the tenant the work might be carried out by the tenant, who would then be entitled to compensation for the improvement at the determination of the tenancy. The Act also did away with the condition of previous notice to the landlord of the intention to execute certain improvements such as liming, claying, or boning of land.

322. The power which the Act of 1875 gave landlords and tenants to agree that its provisions should not apply to their contracts was considerably modified by the Act of 1883, which made void any agreement which was inconsistent with that Act. It allowed, however, the parties to agree upon terms of compensation for improvements under the first and second parts of Schedule I., which may for the sake of convenience be called permanent and durable improvements, and, with regard to temporary improvements included in the third part of that Schedule, it legalised particular agreements securing fair and reasonable compensation in substitution for compensation under the Act.

323. The procedure under the Act of 1883 was practically that provided by the Act of 1875, the principal variation being that under the Act of 1883 the tenant was required to give two months' notice of his claim, while in the earlier Act the statutory period for such notice was one month; and with regard to such claims, while the Act of 1875 required particulars only, that of 1883 required particulars and amount of the intended claim.

324. In one matter the Act of 1883 restricted and diminished the rights of tenants to compensation. While the Act of 1875 had expressly reserved the rights of the parties under custom of the country, the Act of 1883 provided that "a tenant shall not claim compensation by custom or otherwise than in manner authorised by this Act in respect of any improvement for which he is entitled to compensation under or in pursuance of this Act." s. 57.

325. The Act of 1875 did not apply to Scotland, nor was any similar Act passed relating to that country until 1883 when the Agricultural Holdings Act (Scotland), which was in principle and in all its main features the same as the English Act of that date, became law. Under that Act the period for notice of claim by the tenant was fixed at four months as against two months required in England.

326. In 1889 the procedure under the Scotch Act was amended, and it was provided "that unless the parties otherwise agree, a single referee shall be appointed." This single referee may be appointed by the parties if they concur, otherwise the appointment rests with the sheriff. Agricultural Holdings Act (Scotland), 1889, s. 2.

327. Soon after the passing of the Acts of 1883 steps were taken by various agricultural associations,* amongst them being the Central Chamber of Agriculture, the Newcastle Farmers' Club, the Lincolnshire and West Riding Chambers of Agriculture, by a number of associations of valuers, and by some committees of land agents and farmers, to construct a standard or basis of compensation to be adopted under the Acts, or to be incorporated in particular agreements as giving substituted compensation under

* Lipecomb, 20,503, 20,513-321. Wilson Fox, Rep. on Glendale, par. 29. Stratton, 34,893. Pringle, Essex, Report, par. 150. Vol. II., App. A., VIII.

Ingram, 3602.
Somford, 14,806.
Punchard, 44,806.
Lipscomb,
20,487. 2f, 811-12.
Speir, 46,865.
Roberts, 55,980.
Wilson Fox,
Cumberland,
par. 23.

section 5 of the English Act. Subsequently numerous agreements containing specific terms of compensation and in conformity with the Acts were entered into between landlord and tenant. There is reason to believe that in all the scales of compensation thus settled the basis of computation was the original expenditure by the tenant with a proportionate reduction of the amount of such expenditure in respect of each year which had expired, or in respect of each crop which had been taken, since the improvement was executed.

Speir,
46,844.
46,921,
Speir, Ayr,
&c., pars. 50,
63.
Hannah,
51,201.

328. It is important to note that agreements containing substituted compensation clauses are, under the existing Acts, open to challenge on the ground that the compensation therein provided is not "fair and reasonable." We are not aware that the validity of any agreement has been questioned on this particular ground in a court of law. But certain agreements have been brought under our notice which appear to be contrary to the spirit of the Acts. On some estates in Scotland the tenant is bound down by conditions which it is impossible for him to fulfil, and is debarred from claiming for any unexhausted manures except such as have been applied in excess of a stipulated quantity, or in respect of certain classes of manures.

Vol. II.,
Evid.,
App. A., XV.
Scott,
30,055-60.
Lipscomb,
20,503-7.

329. We notice, in passing, a scheme for compensation approved by the Newcastle Farmers' Club soon after the passing of the Acts of 1883 which, while laying down a time limit scale of compensation, proposed to vary the proportionate part of the original outlay to be awarded as compensation with regard to the condition of the holding at the time of quitting, and the evidence of good management in the original execution or application of the outlay, and the subsequent preservation of the improvement. It suggested the classification of holdings as (1) where the management had been generally good and judicious, (2) those where the conditions had been less meritorious, and (3) where the conditions had been bad; and it proposed a graduated scale of compensation being applied to these different classes of holdings. If this scheme of compensation had been generally adopted some of the objections to the Acts, which we shall have to notice, would have had little foundation.

330. We proceed to consider what has been the general effect of the Acts of 1883 and to notice some of the principal defects which are alleged to exist in their provisions. It will be convenient to classify the complaints which we have received under the several heads of objections with regard to—

- A. The principles of the Acts, and
- B. The procedure prescribed by them.

Kidner,
2977.
Spencer,
46,523.

It will appear on examination of these objections that some of them are based upon an imperfect acquaintance with the actual provisions of the statutes.

331. It is generally admitted that the principle of the Acts is good,* and if some witnesses have expressed opinions to the effect that they have been "practically inoperative,"† "a miserable failure,"‡ "a dead letter,"§ "inadequate, unsuccessful, unsatisfactory," and "unpopular,"|| there is a preponderating weight of evidence to show that indirectly at least the Acts have been beneficial to both landlords and tenants by promoting the adoption of definite agreements on the principle of the Acts,¶ securing to the tenants compensation in substitution for that which they might claim under the Acts,** and that they have had the effect in some districts of inducing farmers to keep their farms in better condition.††

332. It is clear, however, that very generally throughout the country tenants have not availed themselves of the opportunity of claiming compensation under the Acts. The reasons assigned for this inaction on the part of tenants are various; those which

* Murray, 5109. Johnson, 7816. Read, 16,077. Simpson, 16,815. Ferguson, 22,940. Wilson Fox, Cumberland, par. 24. Guild, 53,384. Drummond, 60,264. Brown, 62,625.

† Carrington Smith, 8064. Collins, 37,234.

‡ Bell, 26,307.

§ Bear, 27,578. Smith, 9949.

|| Long, 25,740. Rew, 62,056.

¶ Wilson Fox, 9181. Rowlandson, 17,438. Pell, 17,744. Bear, 27,578. Stratton, 35,011.

** Newcastle Farmers' Club, Vol. II., Evid., App. A., XV. Monmouthshire Chamber of Agriculture, Vol. III. Evid., App. A., V. Bective Lease, Vol. II. Evid., App. A., I. Marlboro' Lease, Spencer, Oxon, App., p. 56. Richmond Lease, Vol. II. Evid., App. A., X. Strathmore Lease, Vol. II., App. A., XIV. Wilson Fox, Garstang, pp. 39, 41, 42; Cambs, par. 27, and Glendale, App. B., 2. Pringle, Yorks, par. 35; Beds. &c., App. A., p. 90, and Essex, par. 157. Rew, Dorset, par. 56, note; N. Devon, App. C., VI.-VII., pp. 53-71, and Norfolk, App. D. 3, p. 111. Spencer, Aylesbury, App. B., p. 42.

†† Scott, 30,051-2.

are due to the imperfections of the Acts will come under notice in our examination of the complaints which have been laid before us. But there is a considerable body of evidence* to show that very generally tenants prefer an arbitration under an agreement, or under the custom of the country, to an arbitration under the Acts. This preference seems to be mainly due to the fact that arbitrations outside of the Acts are conducted with little formality and at moderate cost, the proceedings being less contentious and the attitude of the parties less unfriendly than when the Acts are brought into operation.*

A.—PRINCIPLES OF THE ACTS.

333. Dealing first with those complaints which have reference to the principles of the Acts, it will be convenient to classify them under the following heads:—

Objections raised as to—

- (a) the required consent of the owner with respect to certain improvements ;
- (b) the reservation as regards the inherent capabilities of the soil ;
- (c) the basis of compensation prescribed ;
- (d) the limitation as regards subjects of compensation ;
- (e) permissive agreements substituting specific compensation ;
- (f) the law of distress.

S. 3.
Sch. 1. pt.
S 1.
S 1.

Carrington
Smith, 8074-5.

(a.) CONSENT OF THE OWNER.

334. A few witnesses have expressed themselves in favour of giving tenants a perfectly free hand to make any improvements which may seem to them desirable without the consent of the owner or even notice to him ; and securing to them, at the determination of the tenancy, compensation on the basis of the value of the improvement to an incoming tenant. Some would dispense with the consent of the landlord with respect only to the laying down of permanent pasture. The tenant would then take his own risk ; if the improvement added nothing to the value, the arbitrators at the determination of the tenancy would award no compensation.†

Dun, 53,306
Smith, 54,414.
Price, 59,637.

335. Other witnesses would give a tenant, who desires to carry out permanent improvements and is unable to obtain the landlord's consent, an appeal to some outside authority, who should decide whether the proposed improvement was necessary, and if that authority should certify in favour of the improvement the tenant should then have the same claim as he would have had if the landlord had given his consent. The Scottish Chamber of Agriculture has resolved in favour of this interposition of an arbiter.‡ Other witnesses have expressed to us their objections to any measure which might encumber the estate of a landlord against his will, and would encourage tenants to engage in the work of permanent improvements.§

336. Another proposal, falling somewhat short of those which we have previously noticed, has been made. It is to remove from Part I. to Part II. of the Schedule to the Acts certain improvements to which the consent of the landlord is now required ; the effect of this would be that a tenant wishing to execute a certain work would give the notice to his landlord, who might himself undertake the work, and receive interest on his outlay. If, however, the landlord declined to execute the improvement the tenant could carry it out and have a claim for compensation at quitting. The Central Chamber of Agriculture names certain improvements under eight different heads, for addition to Part II. of the Schedule to the Act. Many of these are of comparatively little importance—but the principal one is “ the laying down of permanent pasture.”

Fream,
Maidstone,
par. 55.
Speir,
46,878.

* Huskinson, 954-5. Ingram, 3769 ; 3771-6. Johnson, 7703. Wyatt, 10,884. Wilson Fox, 11,369 ; Cambs., par. 26 ; Lincoln Report, pars. 32-9 ; Suffolk, par. 34. Turner, 11,492-6. Rolleston, 13,555-8. Turnor, 14,440. Punchard, 15,185-6. Sheldon, 21,682-4. Ferguson, 22,954-6 ; 23,148. Ralston, 24,999-25,000. Lousley, 31,176-7. Stratton, 34,893. Epton, 36,018. Biddell, 39,420-2. Baker, 47,370. Wilson Fox, 49,466-73 ; 61,338 ; 61,378-89. Gillespie, 50,727-9. Gordon, 52,690. Roberts, 55,977-80. Blandy Jenkins, 56,905. Price, 59,815-7. Roberts, 59,900. Kirby, 60,646. Spencer, Oxon, &c., par. 66.

† Hope, Perth, &c., par. 51. Nunnally, 56,086, 56,091. Bear, 27,618, 27,744, 27,745. Smith, 8068. Dickie, 52,351. Harrison, 1346. Rew, Devon, par. 52. Rew, Dorset, par. 55. *Id.*, Oxon, &c., par. 67.

‡ Middleton, 2345. Scott, 30,072. Wilson Fox, Northumberland, par. 29. Lander, 33,440, 33,535-48. Elder, 53,149-50. Fyshe, 53,800. Guild, 53,411, 53,414, 53,415. Riddell, 54,531.

§ Kay, 14,023, 14,033-5, 14,042. Squarey, 7331. Punchard, 14,911. Read, 16,429. Parton, 26,029. Murray, 51,09-10. Mitchell, 51,318-9. Peile, 52,197. Lousley, 31,174. Wilson Fox, Suffolk, par. 40 ; *Id.*, Lincoln, par. 43.

Report of
the Central
Chamber of
Agriculture,
Vol. 11.,
p. 625.
Lipscomb,
20,486.

(b.) RESERVATION AS REGARDS THE INHERENT CAPABILITIES OF THE SOIL.

337. We have now to consider the evidence on the subject of the reservation in favour of the owner of the land by Section 1 of the Acts, which provides—

“That in estimating the value of any improvement in the First Schedule hereto, there shall not be taken into account as part of the improvement made by the tenant what is justly due to the *inherent capabilities* of the soil.”

The Central Chamber of Agriculture in their Report recommend that these words be struck out of the clause. Mr. Lipscomb, the Chairman of the Committee who drew up the Report, said that they had received a great number of suggestions from affiliated Chambers in different parts of the kingdom, and that a greater proportion of these Chambers recommended the abolition of the proviso. Giving his own opinion, he said:—

20,468-9.

“I believe, practically, that it has not at all safe-guarded the interests of the landowner or of the incoming tenant, but that it has afforded an opportunity of cavilling at the Act unfairly. . . . I believe it has been inoperative, but it is constantly asserted by persons who, perhaps, know more theoretically than practically that it has operated against the outgoing tenant.”

Ferguson,
23,121.
Foster,
32,425.
Sheldon,
21,868.

Other witnesses have characterised the expression as an “unintelligible term,” as “a thing which nobody can define,” as “having a moral effect—a repellent effect”; but they admitted that there were circumstances where the natural capabilities of the soil must be taken into account in determining the tenant's share in an improvement.

Lawes,
41,040-2.

Sir John Bennett Lawes, in his evidence before us, stated that the inclusion of this phrase in the Acts had not deprived the tenant of any right, and that if it were taken out of the Acts the principle would have to be considered by every fair valuer in valuing.

(c.) THE BASIS OF COMPENSATION PRESCRIBED.

Kidner,
2775.
Sheldon, 21,886.
Barlow, 13,997.
Cooke, 23,090.
Parker, 10,585-91.
Lander, 33,523.
Spencer, Oxon,
&c., par. 67.
Nunneley,
56,227, 56,311.
Boar, 27,618.

338. Several complaints have been made to us on this point. We have already noticed the difference between the basis of compensation under the Act of 1875 and the Acts of 1883, and the abandonment in the latter of the principle that the tenant's interest in an improvement expired by effluxion of time, and that the foundation of the tenant's claim should be the original outlay. While some witnesses complain that compensation is limited by a period of time, others object to the Acts because they do not lay down a scale of allowances to be universally applied, and others again accept the provisions of the Acts as preferable to the practice usually adopted by referees in cases of arbitration.

Ferguson,
23,119.
Rowlandson,
17,601.
Hutcheson,
24,612.
Read,
16,431.
Simpson,
16,845.

339. We have already stated that wherever rules for determining the compensation to be paid to tenants for improvements included in the third part of the Schedule to the Acts have been laid down whether by representative bodies or associations of experts, the basis adopted has been the original outlay by the tenant, and the sum to be awarded has been in relation to the time which has expired since the improvement was executed. With regard to the improvements of the first and second parts of Schedule I. of the English Act, and of the Schedule of the Scotch Act, it has been generally considered that, inasmuch as these must be the subject of negotiation between landlord and tenant, it was not necessary to lay down a scale for compensation.

(d.) THE LIMITATIONS OF THE ACTS AS REGARDS SUBJECTS OF COMPENSATION.

(i.) COMPENSATION TO THE SITTING TENANT.

Lander,
33,535.
33,620.
33,440.
33,536.
33,603.
33,634.
Nunneley,
56,061.

Rankin,
5773.

340. Some witnesses have expressed themselves in favour of making compensation for improvements payable upon the determination of the tenancy whether the tenant quits his holding or not. This was suggested by Sir James Caird some years ago. In support of the proposal it is contended that a tenant whose contract of tenancy was about to expire would have a better chance of re-hiring his farm, and would be placed in a better position if he received compensation either in a capital sum or in a reduction of the future rent. But so far as we are aware no one has been able to point out how the scheme could be practically carried out without fixing a judicial rent. Assume that a tenant whose term is expiring has his improvements valued, and that a sum of money is awarded him as compensation. The question of the future rent becomes the subject of negotiation. If the parties are unable to agree the tenant will no longer be a sitting tenant. Whether the tenant is paid in full, or compensated by an allowance from the

rent in future, must be a factor in determining the amount of rent, and it is probable that the landlord and tenant would take different views, and while a generous and fair-minded landlord would give full consideration to the claims of an improving tenant, a grasping landlord would demand something more than would make up for what he had to pay. If there is competition for the farm, the landlord who desired might raise the rent by more than the amount of reduction allowed to the tenant. In order to effectively secure compensation to the sitting tenant it would therefore be necessary to determine in some manner the future rent; in other words, to fix a judicial rent, and this is what some at least of the advocates of the scheme do not desire.

But even if it were desirable to interpose between landlord and tenant, and to fix the rent for a longer or shorter period, allowing the tenant a rebate on the assumed full value of the farm in respect of his improvements, a further difficulty would arise. In almost all cases where a tenant has a claim for compensation by far the larger proportion of his claim is in respect of feeding stuffs and manures, improvements which are of a temporary character and may be rapidly exhausted. The tenant who remains has the immediate benefit of these improvements, and may in a few years appropriate them; and no increase of rent could compensate the landlord if he had paid down the capital value.

Mr. Wilson-Fox, in his report on Suffolk, has given particulars of an agreement in which the principle of compensation to the sitting tenant is recognised. The Assistant-Commissioner observes, "the only person who discussed the question of compensation to the sitting tenant was the Marquis of Bristol, who stated that he thought it unfair that if tenants undertook improvements they should not receive some compensation before they quitted." The clause in Lord Bristol's agreement with reference to this subject is as follows:—

"The landlord agrees that in default of any special agreement, if upon the determination of this tenancy the tenant continues in the farm, the improvements, with the exception of the last two items of the First Schedule, for which (had he quitted the occupation) he would have been entitled to compensation under the Agricultural Holdings Act, 1883, may be valued in the manner by that Act, or as by this agreement provided, and the tenant shall thereafter during his resumed tenancy receive interest upon the sum awarded at the rate of 4 per cent. per annum. Such interest to be deducted at the time he pays his half year's rent. But if the landlord at any time during the resumed tenancy pays the amount awarded, or any part thereof, in such case the said interest or proportionate part thereof shall cease to be so paid."

It appears that no claim for compensation under this clause has been made.

He adds "A number of witnesses had a difficulty in understanding why a tenant who limed his land, or put on undissolved bones, and who stayed to reap the full benefit of his expenditure, should be paid 4 per cent. on his outlay by his landlord. Neither could they understand why a landlord should pay a lump sum down to the tenant for the unexhausted value of that which he was about to exhaust."

(ii.) COMPENSATION FOR DISTURBANCE.

341. It has been urged by some witnesses that a tenant should have a claim under the Acts for compensation in respect of arbitrary disturbance or capricious eviction.

The chief ground upon which this proposal is based is the expense or loss to which the tenant is put by removal to another farm; it is also supported on the ground that greater certainty would encourage the tenant to farm better, while his position would be strengthened in any negotiations with his landlord on the subject of rent, conditions of agreements, &c.

There appears to be considerable difference of opinion as to what constitutes an arbitrary disturbance of a tenant and what might be considered sufficient or insufficient reasons for giving notice to quit. Some consider that a disagreement between landlord and tenant on the question of rent, resulting in the tenant quitting his farm, should be considered a ground for compensating the tenant.

The general view of those who advocate this proposal is that the whole question, whether the disturbance is arbitrary or otherwise, and the amount of compensation (if any) to be paid to the tenant, should be submitted to an official referee or a land court. We have received ample evidence to the effect that at the present time, as a general rule, landlords are most anxious to keep their tenants, and that, in many cases, they have made great sacrifices in order to retain them, and we believe that cases of unfair or capricious disturbance are exceedingly rare.

Pringle,
Essex, par.
158.
Wilson Fox,
Cumberland,
par. 31.

Wilson Fox,
Report on
Suffolk,
par. 42.

Kidner, 2724.
Wilkinson,
31,390, 31,410,
31,524.
Kay, 14,079.
Barlow, 14,357.
Long, 25,475.
Oliver, 37,669.
Reynolds, 41,661.
Woodward,
44,303.
Lander, 33,440.
Wilson Fox,
Cumberland,
par. 32.

Wilkinson.
31,586.

Kidner,
2909.
Kay, 14,083.
Wilkinson,
31,399,
31,586.
Fox, Report
on Cumber-
land, par. 32.

Sheldon,
21,735-43.
Bear,
27,697-700.

342. Some of the witnesses who have referred to this question are of opinion that if full compensation for unexhausted improvements were secured to the tenant the necessity for compensation for disturbance would not arise. Mr. Bear, who holds this view, is of opinion that adequate compensation cannot be secured except by giving the tenant the power of free sale of his interest in the farm.

We were unable to see upon what grounds a quitting tenant who has received the compensation fairly due to him for his unexhausted improvements could justly maintain a claim for compensation for disturbance, and inasmuch as the former is, we believe, already secured to the tenant by the provisions of the Agricultural Holdings Acts, we are of opinion that no countenance should be given to any such demand.

(iii.) CONTINUOUS GOOD FARMING.

Middleton,
2331.
Riddell,
54,537.
Rowlandson,
17,533.
Davidson,
51,037.
Elder,
53,174.

343. One of the alleged defects of the Acts is that they do not secure to a good tenant compensation for continuous good farming and for the accumulated fertility which is the result of high farming carried on for a long period. It is said that the general adoption of time scales for assessing compensation is unfair to the good tenant. It is, however, scarcely necessary to point out that one characteristic feature of the Acts of 1883 is that they assign no limit to the time when the improvement for which compensation is claimed was executed, and though the general use of these scales is admitted, there is evidence that some valuers have not allowed themselves to be bound by them, and that they have awarded in exceptional cases exceptional compensation.

Scott,
30,062,
30,180-1.

Lipscomb,
20,503-13.

344. It would certainly appear that the application of a rigid rule under all circumstances and without regard to the management of the farmer is unfair to the good tenant. We have drawn attention in a previous paragraph to the scheme put forward by the Newcastle Farmers' Club, which was expressly designed to distinguish between different classes of farming and to secure compensation upon a higher rate where the general management of the farm had been good. Mr. Lipscomb, the Chairman of the Committee of the Central Chamber of Agriculture, who laid before us the recommendations of that Committee, one of which was that "increased fertility of the holding due to continuous good farming" should be scheduled as a distinct subject for compensation, approved personally of the Newcastle scheme, and did not suggest to us any other method of arriving at the result which he thought desirable.

Elder,
53,174-8.

345. Mr. Hugh Elder, Chairman of the Scottish Chamber of Agriculture, laid before us a recommendation that "compensation should be given for cumulative fertility or improving the general condition of the land." He said "some arbiters have allowed for cumulative fertility while others have not done so. In these circumstances it is necessary to make a more explicit enactment on the point."

Hope, Report,
Perth, &c.,
par. 52 (d).
Roxburgh
Report,
par. 52 (8).
Stuart, 51,911.
Fyshe, 53,887.
Rutherford,
55,141-2.
Smith, 54,461.
Parker, 10,706-10.
Spencer, Oxon,
par. 6.

346. What appears to be contemplated by several witnesses who advocate this recognition of continuous good farming is, however, not merely compensation for "manures" upon a higher scale than that applied in ordinary cases, where the manures have been used for a long period and with superior judgment, but that a farmer should be entitled to claim compensation for leaving his farm in good and clean condition. It is difficult to understand why a man, who is under an obligation to cultivate in a husbandlike manner and is generally under a contract to keep and leave his land "clean and in good heart and condition," should receive compensation for fulfilling his contract.*

Simpson, 16,847.
Biddell, 39,591.
Davidson,
51,027.
51,040.
Peile,
52,191-3.
Gibb, 55,420.
Wilken Fox,
Report on
Cambridge.
par. 29.
Read,
16,144-52.

347. It is contended in opposition to the proposal to give compensation for high farming, and clean and good cultivation, that a farmer who enters upon a farm in bad condition takes the fact into consideration in offering for the farm. On this subject Mr. C. S. Read, when asked, "Do you mean that the simple maintenance of a farm that was entered upon in high condition should be the subject of compensation?" replied, "No, that is the very reason that we say there ought to be a record at the commencement of the tenancy of the state and condition of the farm, and if it was proved when the farm was taken that it was clean and in high condition, of course there would be no sort of compensation when the tenant left. If it was said that the farm was let at a reduced rent in consequence of the foul condition and impoverished condition in which it was taken, then if the man had improved its state there would be the set off of the reduced rent."

348. The proposal that a record of the state and condition of the holding should invariably be made at the commencement of a tenancy has received much support. The Central Chamber of Agriculture recommend that in every case of a change of tenancy there should be a record in a scheduled form of the condition of the farm. Mr. Lipscomb,

* Middleton 2331-2333. Speir, 47,054-9, 47,105-14, 46,881-2. Lipscomb, 20,503-13. Scott, 30,062, 30,180-1. Rowlandson, 17,442, 17,533-4, 17,633, Guild, 53,400, 53,597-9. Dickie, 52,352. Riddell, 54,537.

who presented this recommendation, saw some difficulty in making this compulsory where there is no award. While many advocate this record of condition being made, and few deny that such records might be useful, some doubt is expressed as to its being practicable to enforce the making of it; or as to the probability of a record being made with such precision as to supply a basis of comparison after a lapse of years.*

349. The appointment of official referees to whom all questions under the Acts should be referred is a subject to which we shall hereafter refer. At this point we merely note the fact that some witnesses propose that it should be the duty of this official to make and file the record as to the condition of a farm upon a change of tenancy, some going so far as to suggest a periodical survey during the currency of a term of occupation.

Scott,
30,062-3.
Fyshe,
53,868.
Middleton,
2337.

d. (iv.)—Home-grown Produce consumed on the Holding.

350. There is a very general and widespread feeling of dissatisfaction with the provision of the Acts which, while they give a claim to compensation in respect of cake or other feeding stuffs not produced on the holding, do not recognise feeding stuffs produced on the holding, though they may be in every respect similar materials used for the same purpose and in the same manner. It has been proved to us that, owing to the low price of cereals, it has of late years been very largely the practice of farmers to consume home-grown corn in preference to purchased feeding stuffs: but a tenant who has pursued this system has no claim for compensation for the manurial value of the corn consumed; whereas, if he exchanges produce with his neighbour or, if he is in possession of two holdings, removes the produce of one holding on to another, he establishes a claim. It is clear that whatever may be deemed to be the residual value from consumption of a given quantity of corn, that value is not affected by the circumstance of its having been produced on the holding or elsewhere. The only reason apparently for the distinction which has been made by the Acts is, that the opportunities for fraud would be much increased because the claimant could not produce vouchers as in the case of purchased food.

1st Schedule,
Pt. III.
(23).
Murray, 5100.
Turner, 11,602.
Lipscomb, 20,782.
Simpson, 16,833.
Hutcheson,
24,587.
Treadwell, 39,791.
Brown, 35,789.
Epton, 38,102.
Fyshe, 53,868.
Middleton, 2337.
Pringle, 8629.

The opinion of farmers on this subject is by no means unanimous, and many of those who are in favour of the principle involved see great difficulty in giving effect to it without subjecting those who have to pay compensation to the risk of imposition.

With few exceptions the home-grown produce for which compensation is demanded would appear to be corn; but the Scottish Chamber of Agriculture and Mr. James Hope, our Assistant-Commissioner, are in favour of extending the proviso so as to include such produce as potatoes, and, indeed, all produce which, under ordinary management, would be sold.

351. Under the provisions of the Acts compensation for purchased feeding stuffs is confined to those consumed by cattle, sheep, and pigs. Doubts have been expressed as to whether the term "cattle" includes horses; but there is no reason to suppose that compensation has been generally given for purchased horse corn. It is proposed by some witnesses that the uncertainty upon this point should be removed, and that horses should be included in the schedule. A division of opinion exists, however, among those who favour this course as to whether the provision should apply to all horses fed on the farm or to those only which remain at all times on the holding, or to those which are not engaged in working the farm. The Central Chamber of Agriculture proposes the following definition: "horses exclusively engaged or kept on the holding."

The weight of evidence, though admitting the risk of fraud and the difficulty of proof, goes to show that a tenant is as much entitled to compensation for the manurial value of what he grows and consumes, as he is for what he purchases and consumes.†

(e.) PERMISSIVE AGREEMENTS IN SUBSTITUTION OF THE ACT.

352. We have already reported that since the passing of the Acts a large number of agreements providing specific compensation in place of that given by the Acts have been

Lander,
33,514,
33,662.

* Rew, Norfolk, par. 99; Vol. II., App. A., viii. Lipscomb, 20,517. Rowlandson, 17,442-48. Pell, 17,744-7. Bear, 27,760. Nunnelle, 56,325. Westley Richards, 33,818. Long, 25,469. Rutherford, 54,996-55,000. Reynolds, 41,803. Kidner, 2770, 2900. Rew, Dorset, par. 56. Rew, Devon, par. 52. Pringle, Beds, par. 200. Wilson Fox, Northumberland, par. 29. Speir, 46,861. Guild, 53,477, 53,577. Brown, 62,738. Brown, 35,700. Punchard, 15,040. Turner, 14,577-9. Ralston, 24,938. Speir, 46,861. Punchard, 15,040. Bell, 26,441.

† Elder, 53,168. Hope, 12,471-2 and Perth, &c. par. 52. (c) Sch. I., Pt. III. (23). Druce, 20,036, 20,047. Lander, 33,576. Read, 16,106-7, 16,247-16,252, 16,480. Rowlandson, 17,440, 17,555-69. Olver, 37,494. Speir, 46,780, 46,872. Rew, Norfolk, par. 98. Vol. II., App. A., viii. Guild, 53,467. Lincoln R., par. 47. Forster, 32,279. Looker, 41,375, 41,378. Rew, Salisbury Plain, par. 44.

Fyshe,
54,041.
Sheldon,
21,752-3.

entered into, and that such agreements are generally satisfactory to tenants. A few witnesses who have given evidence desire to prohibit any semblance of contracting out of the provisions of the Acts.

(f.) LAW OF DISTRESS.

353. The Act of 1883 relating to England made some important amendments in the law of distress, reducing the period over which the landlord's claim might extend from six years to one year, with a proviso that where in the course of ordinary dealing the payment of rent has been deferred, there the rent shall be deemed to be due at the date when payment has ordinarily been demanded.

It has been stated in evidence that this proviso has enabled landlords to recover by distraint rents of three half years or even two years.

354. Some witnesses who have appeared before us have strongly urged the entire abolition of the power of distress, on the grounds that the preferential claim which is given to the landlords induces them to accept as tenants men of insufficient capital, and that a fictitious competition is thus created, with the result that rents are forced to an unnatural level ; and also that the credit of the tenant with traders is diminished by the knowledge of the prior claim of the landlord upon the tenant's effects. Others contend that, on the whole, the law does more good than harm to the tenant ; that it enables the landlord to act as a lenient creditor at a time of depression, and that it is distinctly advantageous to small men gradually rising in position.*

Read, 16,270.
Rankin,
5576.
Tebbutt,
6974.
Olver,
37,513.
Vol. II.,
App. A.,
VIII.
Looker,
41,296.

355. Other witnesses point out that the present moment would be particularly inopportune for the abolition of the landlord's preferential claim, and that the consequences of such abolition would be disastrous to struggling tenants whose rent is in arrear.

Upon this subject the Committee of the Central Chamber of Agriculture make the following recommendation :—

“The Committee recommend that the right of a landlord to distrain for rent be limited absolutely to rent for 12 months before the making of such distress.”

Mr. S. B. L. Druce, whose evidence on this subject was very clear and explicit, concurs in the above recommendation, as do other witnesses of experience.

B.—PROCEDURE PRESCRIBED.

Middleton, 2618.
Kay, 13,972.
Cocks, 2060.
Kidner, 2818.
Read, 16,512-14.
Dobson, 13,201-3.
Guild, 53,387.
Smith, 54,410-5.
Speir, 46,840.
Hutcheson,
24,465.
Ferguson, 22,940.
Wilson Fox,
61,389.
Rex, 49,026.
Griffith, 60,307.
Gillespie, 70,771.
Riddell, 54,511.
Hope, 12,267-9.
Fisher, 58,449.

356. A number of witnesses have assigned as causes for the Acts being little used that the procedure is formal, cumbrous, dilatory, and expensive ; that tenants desirous of making claims require the assistance of a solicitor ; that expert witnesses have frequently to be called to support the claim ; and that in many cases the fear of being involved in a costly process of litigation has prevented tenants from presenting claims.

The Scottish Chamber of Agriculture have resolved : “That the Agricultural Holdings Act requires thorough amendment in order to secure to the tenant by simple and inexpensive procedure adequate compensation for improvements effected by him.”

Elder,
53,145.
Lander,
33,374-5.
Rolleston,
13,566.
Lawes,
40,922.
Kidner,
3008.
Druce,
19,964.

Mr. Lander, representing the Shropshire Chamber, said that a majority of the farmers would prefer to see a fresh Act “with machinery extended and amended to make it simpler.” The desire for simpler machinery is natural, but in an Act which comes between the landlord and tenant some formal process is a necessity. Mr. Druce has pointed out to us that the Acts provide the simplest possible methods of determining all questions in dispute, where landlord and tenant are both willing to use them. Where the issue is a simple one, and the parties so agree, they may dispense with arbitrators or leave the decision to a single referee, but it is probable that in the majority of cases where the Acts are put into operation the parties will be unwilling to adopt either of these methods, and the ordinary procedure by two referees and an umpire will be generally resorted to, especially in those cases where the claim and counterclaim involve questions upon which considerable difference of opinion may exist.

* Druce, 20,065-6, 20,197. Punchard, 15,047-50. Carrington Smith, 8082-4. Rowlandson, 17,548. Scott, 30,074. Lander, 33,496. Kidner, 2940. Brown, 35,701. Wyatt, 10,865. Sheldon, 21,713. Long, 25,513. Bear, 27,775. Wilkinson, 31,592. Forster, 32,196. Jenkins, 57,128. Wilson Fox, Rep. Garstang, par. 36. Rex, Rep. Devon, par. 44. Watson, 2220. Punchard, 14,920, 15,108-9. Kirby, 60,649-50. Wilson Fox, Rep. Lincoln, par. 50. Suffolk, par. 44. Spencer, Rep. Aylesbury, par. 79.

SINGLE ARBITRATOR OR REFEREE.

357. In order to diminish the costs of arbitration it has been urged that all cases should be referred to a single referee. In Scotland, under the Agricultural Holdings Act of 1889, the reference is to a single referee, unless the parties otherwise agree; the parties may make a joint appointment, or they may each appoint a referee. As many of the complaints with regard to the expenses of arbitrations under the Acts came from Scotland, it is to be presumed either that the parties prefer and agree to employ two referees, or that the reference to a single referee does not have the effect of greatly reducing the costs of a reference.

358. Mr. F. Punchard proposes that the provisions of the Arbitration Act, 1889, should be adopted. The effect of that would be that unless the parties otherwise determined, the reference would be to a single arbitrator.

Mr. S. B. L. Druce said that he would have, if possible, a single arbitrator from the first, who should be a gentleman having the imprimatur of the Board of Agriculture . . . some few should be nominated by each county; then having such a strong man as that in the first instance, it seemed to him that no appeal would be required at all except on matters of law.

359. The appointment of official referees or certificated valuers has been recommended. Various methods of selection of these officials have been suggested, one being that the county councils or some other local authorities should nominate, and that the Board of Agriculture should appoint, a sufficient number. Some witnesses propose that this appointment should be a permanent one, with a salary paid by the State, others that the parties to a reference should select one of a certain number of certificated valuers, or, in default, that a valuer should be appointed by some impartial local authority. Some would refer all questions of compensation under the Acts to the referee for the district; others would be satisfied if the umpire in every case in dispute was an official or a certificated valuer.

360. Other duties than those of awarding compensation under the Acts have been suggested for performance by the official referees in previous paragraphs of this report, as, for instance, in connexion with the execution of improvements, to which the landlord does not consent, and the scheduling the condition of a farm upon the entry of a tenant.

INCLUSIVE AWARDS.

361. It has been stated that inconvenience and litigation have been caused by the neglect to distinguish between sums awarded under the Acts and sums awarded in respect of acts of husbandry. The point is thus stated by Mr. S. B. L. Druce:—

“The question has often been put to me whether a valuer or an umpire determining the claims payable on the determination of the tenancy could include in one award all those matters and things for which compensation is payable under the Act, and also all the matters and things which are commonly payable under the custom of the country, and I have always advised that two different awards should be made, and now the question has been tried out. As a matter of convenience, and in fairness, it is only right, in my opinion, that the Act should be amended in this respect, so that the whole of the payments payable on the determination of a tenancy may be included in one award and enforceable as one sum.”

362. The appointment of an official or certificated referee as single arbitrator or as umpire is urged on the ground of the incompetence of many valuers to decide some of those questions which arise under the Acts. It should not be forgotten, however, that in the great majority of cases by far the largest part of the claim which a tenant who is quitting his farm has to make is in respect of hay, straw, root-crops, and acts of cultivation. Of these things the incoming tenant takes possession for his own use, and as he pays the amount awarded for them, he usually nominates one of the valuers, and any statute which limited the choice of valuers for this purpose would be extremely unpopular. It is true that claims of this kind are not claims under the Acts; but it is obviously convenient that valuers who have to settle one class of claims should deal with both, and if separate valuations made by different persons are to be made in respect of matters under as well as of matters outside, of the Acts, the expense of administering the Acts will not be decreased.

363. If it is desirable that one award should cover all those matters and things for which an outgoing tenant has a claim, it would seem to be impossible to insist upon an official referee being called in in the first instance.

Druce, 19,964.
19,968.
Middleton,
2326-7.
Murray, 8519.
Lipscomb,
20,546-7.
Forster 32,169.
Oliver, 37,572.
A. H. Act,
Scotland,
1889.
Sec. 1, 4.

Punchard,
14,904,
14,967.

Read, 16,086.
Rowlandson,
17,458.
Bowen Jones,
44,661-2.
Scott, 30,063.
Riddell, 54,533.
Davidson, 51,072.
Black, 51,645.
Stuart, 52,003.
Ferguson, 22,941.
Looker, 41,294.
Guild, 53,380.
Hope, 12,284.

Druce,
19,987,
19,982.
Lipscomb,
20,831.
Lander,
33,666.

Druce,
19,965.
Lipscomb,
20,532.
Pringle,
Bedford Rep.
par. 199.
Simpson,
16,948.

Stratton,
35,021.
Rolleston,
13,687-91.

NOTICES OF CLAIMS AND COUNTERCLAIMS.

Druce, 19,956.
Stratton, 4630.
Turner, 11,450.
Johnsen, 7708.
Pringle, 8774.
Smith, 9948.
Dutfield, 58,714.
Dickie, 52,391-2.
Parker, 10,728.
Stuart, 51,889.
Worthington, 12,701.

Read,
16,079.

Guild,
53,429.

Middleton,
2461.

364. A large number of witnesses have given their opinion that one great cause of the unpopularity of the Acts, and a reason for their not being made use of, is the effect of a notice of claim which usually provokes a counter claim on the part of the landlord. Mr. C. S. Read says:—

“If you make a claim under this Agricultural Holdings Act, it is a sort of declaration of war against the landlord . . . land agents generally hunt up every possible dilapidation and default on the part of the tenant and bring it against him.”

Mr. Guild, a witness from Scotland, uses a very similar expression: “A notice of claim is the first signal for war between landlord and tenant.”

Mr. C. Middleton attributes “the bad repute of the Act to a few of the earlier cases that were tried under it . . . in the earlier stages of the operation of the Act many tenants made claims which they had very little chance of substantiating. These claims were met by very absurd and extravagant counterclaims.”

Read,
16,518.
Simpson,
16,826.

365. There is undoubtedly a very prevalent opinion that a notice of claim on the part of the tenant will provoke an exaggerated counterclaim from the landlord, and there are few tenants who have not committed some breach of contract, either technical or otherwise, which may be made the basis of a counterclaim. It is said that landlords are less inclined to take advantage of breach of covenant where the tenants' claim is made under custom or under agreement. The amount of counterclaim is said to be governed by that of the claim; and sometimes to be designed to frighten the tenant in order to induce him to withdraw his claim.

Parker,
10,728.
Dickie,
52,392.
Adams,
42,143.
Simpson,
16,817.

366. Some instances of extreme counterclaims which have been disallowed or largely reduced have been brought under our notice. On the other hand, it has been stated that in the present state of agriculture many tenants are wise in abstaining from making a claim which would admit of a counterclaim being made.

367. It is thought, also, that the tenant is at a disadvantage because of the long interval between the delivery of his claim and that of the counterclaim, and that if the claims of both parties were made simultaneously the landlord would claim less. In England the tenant must make his claim two months, and in Scotland four months, before the termination of the tenancy; while the landlord has 14 days after the conclusion of the tenancy for making out his counterclaim.

The Central Chamber of Agriculture recommend that the claims of landlord and tenant should be made simultaneously, reserving, however, to the landlord the right to amend his claim in respect of dilapidations to buildings within 14 days after the tenant has quitted his holding, and this proposal has been largely supported.*

Rew, Nor-
folk, par. 97.
Holmes v.
Forby.

Rowlandson,
17,524.

Scott,
30,073.

Rew, 62,060.

Vol. II.,

App. A.,

VIII.

368. If this amendment were made the landlord's claim would no longer be in the nature of a counterclaim, and it would not be limited as it now is by the amount awarded to the tenant on his claim. It would seem to follow as a natural consequence of simultaneous claims that each party would have the power to initiate a claim, and that the landlord might claim whether the tenant did or not, and it has been urged that in fairness to the landlord this should be permitted.

369. It is contended that inasmuch as the subjects for which a tenant can claim compensation are specified in the schedules to the Acts, so also ought the claims of the landlord to be scheduled, and it is proposed by the Central Chamber of Agriculture to reduce the period in respect of which a landlord may claim for waste or breach (Sec. 6) from four years to two years.

Read, 16,098.
Lipscomb, 20,524.
Guild, 53,429.
Scott, 30,216.
Druce, 19,956.
Harrison, 1,502.
Epton, 36,044.

370. To return to the subject of notice of claim, which is regarded, rightly or not, by so many as the stumbling block in the way of the Acts, some witnesses of experience have questioned the necessity for any such notice being given.

FREEDOM OF CULTIVATION AND SALE OF PRODUCE.

371. The subject of the landlord's counterclaim raises the questions of freedom of cultivation and free sale of produce, which have been much discussd.

* Lipscomb, 20,526. Druce, 19,956. Kay, 14,046. Read, 16,078. Rowlandson, 17,454. Ferguson, 23,088. Hutcheson, 24,578. Parton, 26,121-7. Bell, 26,398. Scott, 30,073. Lousley 31,179. Hope, 12,262.

There is evidence that many of the agreements now in force do not contain the old restrictions. These have either been omitted entirely, or they have been very much modified; and that even where more stringent agreements prescribe a particular rotation of crops and prohibit the sale of certain descriptions of produce, these provisions are seldom enforced, though the non-observance of them by the tenant may be made the basis of a counterclaim at the termination of the tenancy.*

On the other hand it has been stated that in some parts of the country and on some estates antiquated and oppressive restrictions are still imposed upon the tenant, and that these are a serious impediment to him in his business.

372. Some witnesses have expressed themselves in favour of conferring upon all tenants, including those under existing agreements, the legal right to use the land as they please, and to dispose of any part of the produce at pleasure, subject only to the conditions that the land shall not be deteriorated, or that if damage is done by the system of cultivation pursued, or by the removal of produce, the tenant shall at quitting pay compensation in respect of such damage, and leave the land in a proper course of rotation. Many other witnesses confined themselves to the approval of the proposition that greater freedom, both as regards cultivation and sale of produce, might be given to tenants without risk of injury to the landlords. Some of those favourable to a relaxation of covenants were opposed to action being taken by the State. They represent that such freedom as is advocated would give an unscrupulous tenant the power to ruin a farm while the landlord would have no security for the damage sustained.

373. Another method of dealing with restrictive covenants which is proposed, is to make it clear that the amount of compensation to be paid by the outgoing tenant for breach of contract should be limited to the actual damage done. Mr. Wilson Fox, in his report on Cambridgeshire, quotes the terms of the agreement in force on the Duke of Bedford's estate, which provide that at the termination of the tenancy it shall be left to the valuers to determine whether the holding is left in a state detrimental to the interest of the landlord or incoming tenant, and what sum shall be paid by the tenant to reasonably compensate the landlord or incoming tenant therefor, such compensation to be calculated solely on the basis of what it would cost to put the holding into a proper state fit for the occupation of an incoming tenant. We are informed that it is the present practice of valuers to adopt the basis of actual damage sustained in respect of breaches of agreement, and to limit the period of time for which the counterclaim by the landlord shall apply.

374. The Central Chamber of Agriculture, in its recommendations for amendment of the English Agricultural Holdings Act, dealing with the question of free sale of produce, proposes that the landlord should have a claim for compensation for—

“loss of manure by hay, straw, roots, or green crops removed off the farm without written consent of the landlord or without previous security having been given that equivalent manurial value has been or will be brought on the holding provided that no removal of hay, straw, roots, or green crops, being the last year's produce, shall take place without the written consent of the landlord.”

Mr. Elder, speaking for the Scottish Chamber of Agriculture, said :—

“We think that the tenant might have greater freedom in disposing of farm produce than at present, subject to his providing and applying an equivalent of manurial value in manure or feeding stuffs.”

375. Some witnesses are of opinion that liberty of management on the part of the tenant is only expedient in the case of a tenant under a lease, it being contended that a leaseholder has every inducement to keep up the fertility of his farm until the closing years of his term, during which years it is generally conceded that restrictions as to cultivation ought to be imposed. It may be assumed that the Scotch witnesses have in view in their evidence tenancies of this description. But it may be pointed out that an unscrupulous tenant under a lease, against whom it is desirable to protect the landlord, has a far greater power of deteriorating a farm than a yearly tenant who can be got rid of at comparatively short notice.

Wilkinson, 31,401.
Hope, 48,474.
Rew, 48,987.
Black, 51,401.
Hutcheson, 24,582.

Lander, 33,440,
33,536.
Harrison, 1412.
Kidner, 2952-73.
Hope, 48,480.
Carrington, Smith, 9766.
Hutcheson, 24,465.
Rowlandson, 17,449.
Pringle, 47,575.
McConnell, 55,247.
Duffield, 58,739.
Price, 59,641.
Ferguson, 22,934.
Scott, 30,2-2.
Gibb, 55,412-4.
Punchard, 14,917.
Looker, 41,392.
Pringle, 47,575.
Davidson, 51,026.
Gordon, 52,686-8.
Flockhart, 52,809-17.

Wilson Fox, Rep. Cambs, par. 27.

Rowlandson, 17,644.
Huskinson, 1163.

Lipscomb, 20,528.
See also
Vol. II., App. A., VIII.

Elder, 53,181.

Simpson, 16,548.
Speir, 46,807.
Hope, 48,480.

* De Bock Porter, 660-4. Harrison, 1269, 1429. Murray, 5081, 5357. Dewar, 31,852. Edwards, 25,321. Mercer, 27,375-9. Read, 16,109. Smith, 54,402. Kingscote, 133-6. Huskinson, 1084, 1163. Stratton, 6476-8. Punchard, 14,917. Read, C. S., 16,109-11. Riley, 36,444. Biddell, 39,426. Wilson Fox, 9181, and Rep. Cambs, par. 24. Garstang, par. 19. Black, 51,606. Ballingall, 54,187. Pringle, Rep. Beds, par. 52. Pringle, Rep. Durham, par. 30. Rew, Rep. Dorset, par. 58. Spencer, Rep. Oxon, &c., par. 41. Hope, Rep. Perth, &c., par. 25. Pennant, 57,408-10. Price, 59,649. Rew, 48,996. Cooke, 22,069-74.

APPEALS.

376. One of the recommendations of the Central Chamber of Agriculture is that "on questions of fact and value there shall be no appeal from the award of the umpire, but that on any question of law there may be, at the request of either party, an appeal to the judge of the County Court, whose decision shall be final."

DETERMINATION OF TENANCY.

377. It has been pointed out to us that in consequence of a recent decision in a case at law (*Paul v. Portarlinton*) some uncertainty exists and may arise in certain cases as to the period of the determination of a tenancy for the purpose of Section 7 of the Acts, and that it is desirable to define more precisely what that period is.

RECOMMENDATIONS AND CONCLUSIONS.

378. We have endeavoured to present a full statement of the alleged defects of the Agricultural Holdings Acts, and the proposals which have been made for their amendment. We have now to consider which of the latter we can support.

Upon a review of the whole subject, and a consideration of the evidence which we have received, we beg to submit the following conclusions and recommendations:—

1. We do not think that the landlord's consent to the execution of improvements of a permanent character should be generally dispensed with, and therefore, we are not prepared to recommend that tenants should be empowered either at their own will, or with the sanction of some external authority, to carry out all the improvements included in the first part of the First Schedule of the Acts, and to claim compensation for the same.
2. We do not think it desirable that the "laying down of permanent pasture" should be classed as an improvement in respect of which notice to the landlord is required instead of an improvement to which the consent of the landlord is required, but we see no objection to the following improvements being so classed, viz.:—The improving of roads, improving of watercourses, making of gardens not exceeding one acre, planting of orchards or fruit bushes not exceeding one acre, making and planting of osier beds not exceeding one acre.
3. We see no objection to the removal from Section 1 of the proviso recognising the inherent capabilities of the soil, a term which appears to be obnoxious to many, as we are confident that referees in estimating the tenant's interest in the value of an improvement will take into consideration the character of the soil, its natural fertility and capabilities, without any instruction by statute.
4. We are not prepared to recommend any alteration of the basis of compensation provided by the Acts, viz., the value of the improvements to an incoming tenant.
5. While we are convinced that the provisions of the Act give full power to the referees to award compensation in respect of the long continued use of "manures," we see no objection to amending the Acts so as to make this point free from doubt. But we are opposed to this principle being extended so as to provide compensation for mere good husbandry, which is the fulfilment of a legal obligation.
6. We approve the principle of recording at the commencement of a tenancy the state and condition of the holding, but the practical difficulties in the way of carrying this out are so great that we are unable to suggest that this should be enforced by law.
7. We are of opinion that no countenance should be given to the demand that a quitting tenant, who has received the compensation due to him for his unexhausted improvements, shall be enabled to maintain a claim for compensation for disturbance.
8. We are of opinion that the consumption by cattle, sheep, and pigs of corn produced on the holding should be the subject of compensation. We approve of compensation being allowed in respect of corn consumed by horses other than those regularly employed on the farm.
9. We think that private agreements in accord with the spirit and intention of the Acts are desirable, and should not be discouraged.
10. We are of opinion that it is desirable to adopt the principles of the Arbitration Act of 1889, by which, unless the parties otherwise determine, the case is referred to a single arbitrator.

Druce, 12,970-
Lipcomb,
20,148-2.
Rex, 49,118,
49,137.
Carrington
Smith, 9738.
(Scotch refer-
ences to be
inserted.)

Squarey,
7362.
Dutfield,
58,724.

11. We do not think that it would be at all satisfactory to tenant farmers if they were allowed no choice in the selection of their own valuers—but we would propose that in all cases under the Acts the umpire should be chosen from a list approved by the Board of Agriculture, and since the referees generally act as valuers we recommend that they should be styled “valuers” and not “referees.”
12. We think it desirable that power should be given to umpires and valuers to include in one award compensation for claims by either party under custom or agreement in respect of matters and things not included in the Acts, as well as those which are under the Acts.
13. We are of opinion that notices of claim might be done away with, due provision being made for either party putting the Acts into operation, and for written statements of claim being laid before the referees; and that if neither party claim within three months from the determination of the tenancy, all right to claim should be barred.
If, however, the notice of claim be retained, we are of opinion that the determination of a tenancy, for the purpose of Section 7 of the Acts, should be deemed to be the period when rent ceases to accrue.
14. We approve of the proposal that the dilapidations for which a landlord may claim compensation should be scheduled.
15. We think that some of the restrictions as to cultivation and disposal of produce still embodied in some agreements are unnecessary and objectionable, and we recommend that no sum shall be recoverable as a penal rent or in respect of any breach of covenant in excess of the amount of actual damage sustained by the landlord.
16. We recommend that the period in respect of which a landlord may claim waste or breach under Sec. 6 of the Acts should be limited in the case of all tenancies from year to year to a period of two years.
17. We also recommend that except on points of law there shall be no appeal from the award under the Acts; and
18. That distress for rent be limited to such rent as has accrued within, and in respect of, a period of 12 months expiring at the date of such distress.

CHAPTER II.

Land Tenure.

379. On the subject of land tenure we have taken much evidence from the representatives of a section of agriculturists, who advocate drastic changes in the law in connexion with that question. Indeed, we have taken from them upon this point more evidence than probably was warranted, either by their influence or numbers in agricultural circles.

The views which they have put before us, they regard, we understand, as indicating the chief and principal solution of the problem of agricultural depression. We have, therefore, thought it desirable to hear them at great length, in order that their proposals may be thoroughly examined. Smith, 9338 to 9841.

380. The three principal witnesses, who have given evidence before us on behalf of the proposal to establish Land Courts in this country, are Mr. W. Smith, Professor Long, and Mr. W. E. Bear. Mr. Smith is the late member for the Lonsdale Division of Lancashire, a corn miller and importer of flour, and part owner of eight farms with a total acreage of 840 acres; and Professor Long is the Chairman of the Education Committee of the British Dairy Farmers' Association, and was formerly Professor of Dairy Farming at the Royal Agricultural College. He also occupies two farms with an aggregate acreage of between 600 and 700 acres. These witnesses differ in their views as to the expediency of breaking existing leases, interfering with freedom of contract during the first five or seven years of a tenancy, and of allowing tenants the power to bequeath their tenant rights; but they are both strongly in favour of Land Courts, judicial rents, fixity of tenure, and the free sale of tenant's improvements. Long, 25,378, 25,379, 25,385. Smith, 10,203. Long, 25,739 to 25,794. Smith, 25,799 to 25,802. Smith, 25,419. Smith, 10,175. Long, 25,428. Bear, 27,472. 27,613. 27,597.

Mr. Smith has been good enough to explain to us the objects and effect of the Land Tenure Bill, which he introduced in the House of Commons in 1893, and which Smith, 9433.

p. 440.
Smith,
10,174.
10,203.

he informs us is based on a similar measure brought in for Wales by Mr. Thomas Ellis. We have published a copy of it in the appendix to our first volume of evidence. Its effect would be to abolish freedom of contract in the future hiring or letting of farms; and in every case in which the farm is not held under a lease existing at the passing of the Bill to enable the landlord or tenant to take proceedings with a view to set aside any past or future contract of tenancy, however recently it might have been entered into, and to apply to the Land Court to fix a fresh rent and fresh conditions of tenancy. On these being fixed by the court, they would remain unchanged for five years, during which period the tenant would be bound to continue in the farm, or to find a successor at the judicial rent, and on the other conditions determined by the court. At the end of the five years he might leave; but if he did not, either party might go to the court again, to fix the rent and conditions for the next five years, and so on *ad infinitum*. Every tenant would have fixity of tenure subject to the periodic revision of his rent and conditions of tenancy by the court; and it is proposed by the Bill that he should have power to bequeath his tenant right, or to sell it, subject to the landlord's right to re-entry on payment to the tenant of the amount agreed to be paid him by his nominee, and to an appeal to the court on the ground that the nominee is not possessed of sufficient capital to work the farm, or that his character and abilities are unsatisfactory.

Clause 7.
9534.
9546.

381. The rent to be fixed by the court under the Bill would be such a rent as the court might consider to be a "fair rent." Mr. Smith explained to us that he took a fair rent to be "a rent by which a farmer could live and could pay fair wages to his labourers, and bring up his family in decent comfort at the then existing prices of whatever produce the land was calculated best to raise." He further stated that if a man had farmed a farm, say, for five years, one of these judicial periods, and during that time he had not been able to make it pay, and if he could produce his accounts to show what the loss or otherwise was, that in itself would be very tangible evidence of what the farm was worth.

9554.

382. It is obvious that if the rent were determined by the court on the above principles, so far from representing the market value, which a solvent tenant would be willing to pay for a farm, it would depend more or less upon the skill or incapacity of the individual tenant, his thriftiness or extravagance, his health and age, the size of his family, the capacity or incapacity of his children to earn their own living, and a variety of considerations, including the opinion of the court of the cost of living in "decent comfort." Any tenant who by thrift, or good fortune, or skill succeeded in making a profit by his farming, would do so at the risk of having his rent raised by the court at the commencement of the next quinquennial period. Any rent arrived at on the above principle would also be fixed on the assumption, which might, and in all probability would be incorrect, that during the next five years the prices of the produce of the farm, feeding stuffs, manures, and labourers' wages would remain unchanged, and that the tenant would always pay, and the labourers always accept, fair wages. The proposal is, in fact, that of all the varying outgoings and incomings of the farmer, one only—viz., rent—should be artificially fixed by a court of law for a period of at least five years, and that it should be so fixed on the principles indicated above.

383. If, on the other hand, the rent were to be fixed by the court on the principle that it ought to represent the market value of the farm, *i.e.*, the rent which a solvent tenant would be willing to pay for it, this rent could be more readily arrived at by the actual letting of the farm than by the creation of a land court to determine it.

9471 to
9473.
9531 to
9533.
9522 to
9526.

384. The Bill goes very much further than the Irish Land Acts, for it would apply to farms of every nature and size, excepting demesne lands and home farms, and whether or not the improvements on them had been effected by the landlords or the tenants; and any hiring of agricultural land which was inconsistent with it would be void. It would therefore compulsorily create a dual ownership on the conditions above indicated in nearly every farm throughout the country, without any regard to the wishes of the tenants or the owners in the matter.

385. We think that the effect of this measure would be to promote, and at the commencement of new tenancies invite, litigation between landlord and tenant for the purpose of ascertaining the rent and conditions of tenancy. Not only would the great majority of existing contracts of tenancy be rendered repudiable by either party, but no new contract of tenancy could be entered into with any definite knowledge of

the rent and conditions of tenancy, each of which would necessarily have to be determined by a court of law, after the contract had been made. No tenant would be allowed to rent a farm for less than five years; nor would any owner be allowed to let a farm, except on the condition that the tenant and his successors might occupy it in perpetuity. No arrangement which either party might be desirous of entering into with the view of avoiding these inconveniences would be binding in law on either of them or their successors. The landlord would become a mere rent charger, so long as the tenant or his successors cared to remain in occupation; but at the end of any judicial period of five years he might have the farm thrown back on his hands, if the tenant or his successors were unwilling to pay what the court had decided to be a "fair rent."

386. In justification of the above proposals Mr. Smith made three allegations. The first of these is that "an exceptional state of things has arisen"; that "rents are too high under the changed circumstances, and that to wait the natural adjustment of things would mean in Lancashire and Cheshire, as it has done, I believe, in other counties, the practical ruin of the farmers." With respect to this allegation he admitted that in his own district the depression had become acute only during the last two or three years; that the special cause which had brought it about was the fall in the price of beef, mutton, and dairy produce; that previously there was no strong ground for complaining of the rent; and that during the last two or three years there had been temporary remissions of rent, which had in most cases amounted to 10 per cent., and in some cases to 15 per cent. It appears to us that these facts, so far from justifying the proposals in the Bill of themselves, demonstrate the mischief that would have been brought about during the last few years, while the prices of farm produce have been falling, if any such legislation as is proposed by the Bill had been in force in this country.

387. This is brought out clearly in the evidence of Mr. James Kay, the President of the Lancashire Federation of Farmers' Associations, who, in explaining to us the opinions held by the Lancashire farmers belonging to his Federation, gave the following evidence:—

"And they do not think it desirable that the rents should be fixed by an independent tribunal or that a fixed term should be given to them for those rents?—No; take the last five years back it would have meant absolute ruin to a number of farmers if the rent had been fixed five years ago. During that time the prices have been falling, and the tenants have been losing money, and under that system they would have been fixed for a number of years, whereas, under the present circumstances, though there is room for great improvement, the tenant is free to go at 12 months' notice or six months' notice, as the case may be.

"I presume there is the same objection to the term of five years for the rent being fixed by the judicial tribunal as there is to a lease?—Certainly.

"And that, whatever objections farmers feel now to taking leases, they would feel to having rents fixed by an external tribunal for five years?—Precisely the same objection.

"Would you consider that, if a rent were fixed by a tribunal for five years, it would be impossible to induce the lessor to make a reduction in the interval?—I think the result of any such tribunal for fixing rent would be to alienate the sympathy that any good landlord has for his tenant, and to call forth any vindictive feeling which a bad landlord has for his tenant.

"And if the falling rents during the last few years had been judicial rents it would not have been to the interest of tenant farmers?—It would have been very much the reverse.

"They could not have got the same reductions that they have obtained during that time?—That is so."

388. Another argument put forward in support of this Bill is, that "it would to a certain extent limit competition, or rather prevent the bad results of over competition in rent." We are, however, convinced that in districts, in which competition for farms exists, the Bill, so far from limiting, would intensify the evil results of competition. In such districts, the value of the tenant right, which would be created by the Bill, would be the margin between the judicial rent and the competition rent, and this would, by the operation of the Bill, be transferred from the owner to the tenant, although the latter might have in no way improved the farm. If the tenant were allowed to sell this right, his exercise of the power of free sale would not be restrained by any of the considerations which render landlords unwilling in their own interests to

let their farms to the highest bidders. He would have every inducement to sell his tenant right to the highest bidder, without any regard to the subsequent fate of the farm, or the purchaser of the tenant right.

Smith,
9475.

9574.

Long,
25,071.

389. A further argument which has been used on behalf of Mr. Smith's Bill is, that "the want of security and the very inadequate compensation now enjoyed by farmers is having a very prohibitive effect both on their energy and skill in management." Mr. Smith considers that "very few improvements are made by farmers now;" and that "improvement in the land would in many cases counterbalance the depreciation in its natural value from the drop in prices"; and that "there is not one acre in a hundred in this country that is farmed nearly up to the degree that it might be farmed." Professor Long also "thinks that if the law had been sufficiently liberal and expansive to induce farmers to put their capital into the soil they would not have suffered so considerably during the last years of depression." With respect to these opinions, we may in the first instance refer to the evidence summarised in paragraphs 113 to 118 of this report as to the condition of occupying owners. An occupying owner is free from any difficulty arising from insecurity of tenure, excessive rent, or any of the other evils which are supposed by some persons to render Land Courts necessary. But it is clear from the evidence which we have received that occupying owners have not as a general rule suffered less, but more, than other farmers from the depression. Nor have we any reason to believe that the average cultivation of their farms is higher than that of farms occupied by ordinary tenant farmers.

Lawes,
41,101.

390. With respect to the suggestion that "there is not one acre in a hundred in this country that is farmed nearly up to the degree that it might be farmed," and that higher farming would, in many cases, "counterbalance the depreciation in the natural value of the land from the drop in prices," the evidence which we have received certainly does not lead us to the conclusion that high farming can in this country counterbalance the effect of low prices. Sir John Bennet Lawes, than whom there is no higher authority, while holding that it is certainly bad economy to farm too low, is strongly of opinion that high farming is no remedy for low prices. The following is his evidence on this question:—

40,881.

"It is generally supposed, and has often been said, that the lower the prices of our agricultural crops, particularly of wheat and barley, we ought to grow more and more. Unfortunately the result of all our experiments, which are very extensive, is that the reverse is the law. As you increase your crops so each bushel after a certain amount costs you more and more. Therefore, if we had a famine in the land, and we could get a guinea a bushel for our wheat, we should try to grow the very utmost that is possible, but the lower it goes so we must contract our farming down to what I should call the average of the seasons. We have in this country very bad seasons and very good seasons, and the mean of those is something like what we can grow, not more.

40,852.

"Then in your opinion a remedy is not to be found in higher cultivation in the sense of putting more manure to the land?—No, it is quite contrary to that. The last bushel always cost you more than all the others.

40,886.

"Then, I suppose, you would deduce from this that in the corn districts the higher the farmer has farmed his land in the sense of adding manure the worse has been the financial result?—Yes, quite so.

40,887.

"Do you think that those farmers who have farmed on a very high system have probably lost more money than those who have farmed on a lower scale?—I am afraid so."

Ingram,
3614.

391. We have, however, no reason whatever to believe that the adoption of Mr. Smith's proposals would raise the standard of cultivation. On the contrary, it has been suggested to us that, if judicial rents were to be fixed every five years, some tenants would be tempted during the last one or two of those years to let their farms run down in the hope of getting a lower rent fixed for the next quinquennial period. We consider that this apprehension is not by any means without foundation.

392. But there is another and far more important consideration which convinces us that any legislation in the direction of fixity of tenure and judicial rents, so far from raising the standard of cultivation, would be fraught with very serious dangers to agriculture, and to all classes engaged in the cultivation of the soil. We cannot doubt that one of the first results of such legislation would be that the greater part, if not the whole of the permanent improvements on the great majority of farms

would be left to be carried out exclusively by the tenants. We have already referred to the very large capital outlay on these improvements by landlords during the depression. It is incredible that the tenants would have been willing to carry out works of this magnitude at their own cost, or that if they had been willing they would have possessed the requisite capital to enable them to do so; while, if they had borrowed for the purpose, they would have fallen into the hands of mortgagees, who would have been less disposed to reduce the rate of interest than their landlords have been to reduce their rents. The greater part of the work would, we are convinced, have been left undone to the very serious detriment of the agriculture of the country.

393. On this point we have received a considerable amount of evidence from farmers from various parts of Great Britain and also from witnesses who have testified to the fact that the farmers in Wales who have suffered most from the depression are the occupying owners, who bought their farms with borrowed money, and the tenant farmers who have taken to farming with insufficient capital with disastrous results to themselves and to the land.

394. Lieut. Col. H. R. Hughes, who has for many years been engaged in the management of estates in England and Wales, amounting together to 150,000 acres, part of which are Sir Watkin Wynn's estates in Denbighshire, Shropshire, Montgomeryshire, and Merionethshire, informs us that with reference to Sir Watkin Wynn's estate and other neighbouring estates in the present days tenants require much more than they did formerly, and there has to be a great deal more attention paid to them; their wants are greater. Hughes,
50,318 to
50,321.
50,447 to
50,454.

395. On this subject he gave the following evidence:—

"As a general rule in the parts of Wales with which you are acquainted, who makes the improvement?—The landlords entirely; you will not get a tenant now to do anything; it is not expected. 50,597.

"Has that always been the case?—No; formerly the tenants did a great deal, but they cannot now, and they are not asked to do so on good estates. 50,598.

"Since when is it that the landlords have always made the improvements?—It has grown very much, and especially it has become so during the last 15 to 20 years. 50,599.

"At all events, as a matter of fact, now the landlords invariably make them, and the tenants hardly ever do?—They do not do a thing now; we do as much as we can, the gates and all. 50,600.

"Are you speaking of your own estates now, or generally of the district?—On all good estates it is a recognised thing now that they must be done by the estate. 50,633.

"You have told us, I think in the course of your examination, that you manage estates in England as well as in Wales?—Yes. 55,556.

"Would you say the same thing from your experience with regard to England, namely, that the tenants would not be in a position to make the permanent improvements?—Certainly they would not. 55,559.

"We had evidence given by some witnesses recommending great changes in the laws which govern the relations between landlord and tenant. Do you happen to have the evidence given by Mr. W. Smith dealing with this question?—Yes. 55,560.

"Have you read it?—I have. 55,561.

"You are aware that he proposes to establish by law what is called fixity of tenure, and a land court for the purpose, amongst other things, of fixing fair rents?—Yes. 55,562.

"Now, if his proposals were adopted in England, what would be the effect on the making of improvements; would the landlord continue to make these improvements as heretofore?—Certainly not; their interests would be quite different; they would not go on improving. 55,563.

"You think that would make a considerable difference with regard to the future making of improvements?—Certainly I do, indeed. 55,564.

"Then the result of any such legislation in England, would be injurious to agriculture in your opinion?—Very greatly. 55,568.

"I want to ask you, from your general knowledge and your wide experience, whether you think it would tend to prevent outlay on improvements by landlords, and to aggravate agricultural depression if these principles were adopted in legislation and applied generally to Great Britain?—I do think so." 55,570.

"Is it not the fact, so far as your experience carries you, that not only in Wales, but generally over the country, the carrying out of improvements has been transferred from tenant to landlord?—Most certainly. 55,748.

Hughes,
55,749. "Not merely on account of the inability or difficulty of the tenant, but also because it is found better that the landlord should do the improvements himself?—Yes, the landlord gains in the long run, most certainly, by doing his own improvements.

55,752. "Landlords have found that they prefer to carry out their improvements in their own way, and at their own expense?—Undoubtedly.

55,753. "And under their own control rather than leave them to the tenants?—Yes."

Huskinson,
1107. 396. Evidence on this subject has been given by a number of witnesses from various parts of Great Britain, including Mr. Huskinson, a large land agent; Mr. Digby Collins, a landowner in Cornwall; Mr. Ferguson, tenant-farmer in Perth; and Lord Wantage. Mr. P. P. Pennant, the chairman of the Flintshire Quarter Sessions, and late President of the Clwyd Chamber of Agriculture, states that all the permanent improvements on small and medium sized farms are made by the landlords; that the tenants of these farms have no capital to make the improvements themselves; and that on the smaller class of farms they do not even do the drainage. Mr. Owen Williams, who farms 142 acres in the Vale of Clwyd Bodfari, in the county of Denbigh, also states that in his district permanent improvements in buildings and drainage have, as a rule, been carried out by the landlords, but there are some exceptions where the tenants themselves make improvements, and that he has himself expended on his own farm 50% on drainage.

397. It further appears from the evidence of Mr. Dudley, D. Drummond, an agent of estates with a total area of 64,000 acres, in the county of Carmarthen, and an inspector under the Land Improvement Acts of the Board of Agriculture, that the farmers of the district, with which he is acquainted, so far from being in a position to expend capital on the carrying out of permanent improvements, do not possess sufficient working capital of their own for the proper cultivation of their farms. He also gave the following evidence:—

Drummond,
60,432. "Have you any reason to believe that tenants have not embarked sufficient capital in their land to make it bear a profitable crop?—Yes, I certainly hold that view most strongly.

60,433. "You think the land has not been properly farmed?—I am quite convinced of it.

60,434. "Are the crops less per acre there than they are over the rest of the country?—Very much so, I think.

60,438. "Do you think that is due to a feeling of insecurity on their part as to their tenure?—No; I do not think it can be due to that, because I do not know of any part of the country where tenure generally is more certain. I have got a great number of farms in the hands of the same families going back for generation, and generation, and generation.

"Is there any general feeling amongst them that if they put their money into the land they will not get it back again?—No; I do not think there is. It has been suggested, and landlords have been attacked on that score; but honestly, in my experience, I cannot say that there is any of that feeling. I know it has been made public, but I honestly see no justification for it whatever, because they change the tenancy but a very few times."

Smith,
9485. 398. Mr. Smith informed us that he thought as regards buildings, if his Bill became law, "tenants would probably prefer and expect the landlord still to make them, they paying a per-centage upon the outlay"; and that he did not see why the landlords should not be willing to do this, because there was in his Bill "a special provision that over and above the judicial rent they should be paid interest on such outlay." It is, however, obvious that no such statutory provision could be relied on to secure for the landlord any stipulated rate of interest on his outlay for any longer period than five years, because a tenant under the Bill would not be bound to continue on the farm for more than five years; and if he vacated it, no incoming tenant could, by reason of any contract with the landlord which a former tenant might have entered into, be expected to pay a higher rent than he thought the farm was worth. Nor is it easy to understand how, if it were right to determine the judicial rent on the principles indicated by Mr. Smith, it would be reasonable to require an incoming tenant to pay interest on the landlord's past outlay on buildings, over and above the judicial rent. Apart from these considerations, it is clear that any legislation which deprived the landowner of part of the ownership of his estate would tend to make him less disposed than he might otherwise have been to expend capital on the improvement of that estate, and the question which would then arise would be, whether the tenants would be willing and able to undertake the expenditure themselves.

399. The foregoing evidence clearly points to the conclusion that the establishment of judicial rents and fixity of tenure in the districts to which it relates, would be attended with very considerable injury alike to the tenants and to agriculture generally. The evidence which we have already cited of the enormous losses, that have fallen on landowners in Great Britain during the depression, and of the position of occupying owners as compared with that of tenant farmers, leaves no room for doubt that the losses of tenant farmers, so far from being diminished, would have been very materially increased, if any legislation had been in force in recent years creating a system of dual ownership in the agricultural land of Great Britain, which would have necessitated their expending their capital on permanent improvements, such as are now carried out by the landlords. Any such legislation must have added to the losses, which they have sustained in the cultivation of the soil under the present system, the losses arising from the additional expenditure, which they would have been compelled to incur in the acquisition of a part ownership of the land.

400. It should be noted here that in our opinion the three F.'s are inseparable, and that the adoption of either one of them would necessarily involve the acceptance of the other two. Some few of the witnesses who have appeared before us and who have advocated drastic changes in the land tenure of the country recognise the very serious mischiefs which would result from their complete adoption, and have apparently come to the conclusion that they might be diminished if a part only of that policy consisting of one or two of the F.'s were adopted. But in our opinion, any such intermediate policy is impossible, and if possible would be indefensible. It would be no advantage to a tenant to have his rent fixed by any tribunal, if his tenancy could be determined, in the event of his landlord being dissatisfied with the finding of the tribunal. Nor would fixity of tenure be of any advantage to a tenant, if the landlord were allowed to raise his rent, at his own discretion. Nor when a tenant's rent had been determined by the court, and he had been given fixity of tenure, and he had in this way become a part owner in the land, is it easy to see on what grounds he could be debarred from exercising the right of every owner to dispose of his property by sale or bequest, especially if he had been compelled to expend his capital on the permanent improvement of his farm.

401. We have next to consider the amount of support, which the proposal to establish land courts, judicial rents, fixity of tenure, and free sale, has received from tenant farmers throughout the country. As bearing on this question, we may point out that there could hardly be a stronger proof that fixity of tenure is not desired by those practically interested in agriculture, than the fact that throughout England, farmers now, with rare exceptions, prefer to hold their farms on yearly tenancies rather than under leases, and that in Scotland where the system of leasing for terms of years still prevails, there has of late been a growing tendency to modify the old established custom of leasing for 19 years, by the insertion in the leases of provisions enabling the tenancy to be terminated at the end of five years from its commencement.

402. Mr. W. Smith has informed us that he is president of an association called the Federation of Tenant Farmers' Clubs, consisting of a number of societies in the counties principally of Lancashire, Cumberland, and Cheshire, the aggregate number of members belonging to which is 3,310; that these societies are entitled to send a delegate for every 50 members to the general meeting of the Federation; that at these meetings an executive is annually elected; and that his Land Tenure Bill of 1893 was "drafted after mature consideration by the executive." He has further stated that it has the sanction of his Federation; that they have had one or two special meetings and considered it line by line; and that at various places where he has addressed meetings resolutions in favour of the principles of the Bill have been adopted.

403. Three members of the above Association attended before us in support of the Bill, Mr. Thomas Worthington, Secretary to the Wigan Farmers' Association, who farms 95 acres near Wigan, and two members of the Chester Farmers' Club, Mr. Thomas Parker, who formerly farmed 400 acres near Chester, and Mr. George Cooke, who farms 278 acres near Chester.

404. Mr. Worthington thought there ought to be a re-adjustment of rents, and that the fairest method of adjustment would be through a land court; but at the same time he recognised a great difficulty in defining a fair rent. He was also of opinion that if farmers had security of tenure, they could still make a living by high and more

Smith,
9914 (note),
9367.
9370.
10,241 to
10,243.
Worthing-
ton,
9918, 9921,
12,478 to
12,480,
12,485.
Parker,
10,389,
10,390.
Cooke,
21,994,
22,020.
Worthing-
ton, 12,597,
12,600,
12,930,
12,935 to
12,937.

Parker, 10,417, scientific farming. Mr. Parker considered the existing system of land tenure very unsatisfactory; that it encouraged bad farming; that the farmer who improves his holding and spends money freely has not sufficient security or fixity of tenure; that with greater security farmers would be encouraged to farm better and more highly; that the only way to meet the depression was to farm highly; and that farmers have now to farm under a hand-to-mouth system. He advocated the establishment of a tribunal to which the landlords, or tenants, or labourers might refer disputes for settlement as they arise, including the question of rent and conditions of tenancy. He would give the tenant security of tenure, and the free sale of his improvements. Mr. Cooke was also of opinion that land courts should be established for settling differences between landlord and tenant, and that perpetuity of tenure should be conceded to the tenants, so long as they farmed well, paid their rent, and were of moral character.

405. With the exceptions above referred to, none of the tenant farmers who have given evidence before us have supported the Bill; and only a very limited number have expressed themselves in favour of any tribunal for regulating rents or conditions of tenancy. Amongst those who have done so we may mention Mr. Samuel Kidner, farming 340 acres near Taunton, who came before us on behalf of the Taunton Farmers' Club, and who advocated the establishment of some tribunal to fix rents in case of appeal by the sitting tenant, and to award compensation for disturbance; Mr. J. Wilkinson, of Keepwick, Wall-on-Tyne, who expressed somewhat similar views; and Mr. H. B. Bomford, a tenant farmer of Warwickshire, who thought that the moral effect of a land court would be very beneficial.

406. It must not be assumed from the fact that the Bill has received the sanction of the Association above referred to that the general feeling in the counties of Lancashire, Cumberland, and Cheshire is in favour of it. There are in Lancashire two other Farmers' Associations. One of these is the Lancashire Federation of Farmers' Associations, and the other the Lancashire Tenant Farmers' Association. In his Report on the Garstang district of Lancashire, Mr. Wilson Fox says that Mr. Kay, the President, and Mr. Barlow, the Vice-President, of the former of these associations, thus expressed the views of their Federation:—

"If absolute security were given by Act of Parliament for compensation for unexhausted improvements, without expense and litigation, fixity of tenure would be a thing unasked for. The very fact of a landlord having to pay compensation for a greatly improved farm would deter him from giving a tenant notice. It would ensure all the fixity of tenure that tenants really desire. Tenants prefer yearly tenancies. They want to be free to go, and to be paid in full for their improvements when they leave."

407. These views are corroborated by the evidence which we received ourselves from Mr. Kay, who informed us that the question involved in the three F.'s, had been discussed by his association, and that they had come to an adverse opinion as to the expediency of adopting the three F.'s, that they did not consider it expedient to relegate the subject of rent to a tribunal, and that their reasons were:—First, that it would interfere with what they wished to leave untouched, that is, the absolute freedom of contract between landlord and tenant; secondly, that it would necessitate a very large expenditure, including a large number of official appointments which could only be brought about at extremely great cost, inasmuch as it would necessitate every farm in the country being valued; and, thirdly, that if absolute security for the improvement they effect in their holdings is given to tenants they are satisfied without any further fixity of tenure. They do not care about being fixed to the farms further than that they are compensated for the improvements made and for the money spent.

408. As regards the Lancashire Tenant Farmers' Association, Mr. Wilson Fox says:—
"At the meeting of the Lancashire Tenant Farmers' Association, who adopt the 'three F.'s' as part of their programme, I asked them to define what they meant by fixity of tenure, and I ventured to put this proposition to them:—

"Assuming that tenants were able by some simple and inexpensive procedure to get compensation for unexhausted improvements, would you advocate that the law should compel a landowner to take on the same tenant at the end of a lease, whether he 'wanted to or not'? The answer was 'No, that would not be fair on the landlord.'

"I therefore venture to think that in reality the views of the Lancashire Tenant Farmers' Association are not very different from those of the Lancashire Federation of

Farmers' Associations on this subject, namely, that they desire greater security for capital invested in the land, more than any legislation tending to fix them upon the soil."

409. Mr. Wilson Fox further quotes in his Report the following extract from a letter to him from Mr. Albert Grey, the Chairman of the Lancaster Agricultural Society: "I think that the system of yearly tenancies is the best, provided full security can be legally got for both landlord and tenant. No landlord will disturb a good tenant, and a bad one should be disturbed in the public interest. Under this system rents can be lowered in bad times and raised in good ones by mutual agreement as has been shown in the last ten years, when reductions averaging 30 per cent., have been made in this union."

It appears from the same report that the farmers at Lytham said: "A good farmer has got fixity of tenure as long as he wants to stay. A landlord must get rid of a bad tenant in the same way that a farmer must get rid of a bad labourer."

Wilson Fox,
Rep. on
Garstang,
Appendix
E., 6.

410. It is clear that in Cumberland, the second county represented on Mr. Smith's Association, there is no general feeling in favour of his Bill. In his Report on this county Mr. Wilson Fox says:—

"All the farmers I met, and they numbered many hundreds, expressed themselves very much against a Land Court in any shape or form. Whenever a man complained of rent, I always asked him if he was in favour of a Land Court and the answer invariably was that men desire to be free or words to that effect."

Cumberland.
Wilson Fox,
Rep. on
Cumberland,
para. 21.

"I will now quote the opinions of certain farmers, chiefly small ones, on the subject of Land Courts, as fair samples of a great deal of similar evidence given in the county."

"Mr. Robinson of Bowness, 140 acres, says: 'The small men have lately complained very much about rents and with very good reason. Small landlords cannot afford to reduce rents. But I believe it is best to fix your own rent and I think that every man in this district would be all against a Land Court. We ourselves know the value of land and what the land can produce.'

"Mr. Barker of Bowness, 303 acres, says: 'Though rents are too high, I would rather make my own bargain than have a Land Court.'

"Mr. Brown of Bowness, 250 acres, says: 'Generally men grumble at the rents here, but I would rather be free than have a Land Court.'

"Mr. Watson of Writrigg, 27 acres, says: 'There is a lot of competition for small farms. They bid too much for them. Notwithstanding this I do not believe in a Land Court, and I prefer to fix my own terms.'

"Mr. Bimson, of Carburnock, 55 acres, says: 'If this farm were let to-morrow, 10 men would be after it before the week end, offering the same or higher rent. A reduction in rent and rates is the chief thing. But I would rather fix my own rent than have any Land Court. England is a free country and I want to be a free man.'

"Mr. Joseph James, Aspatria, on Sir Wilfred Lawson's property, says: 'I consider landlords' and tenants' interests are identical, and I should strongly recommend freedom of contract between landlord and tenant.'

"At the meeting at Holm Rook it was stated that no one in that district was in favour of a Land Court, and Mr. Burrows remarked that 'the idea does not belong to Cumberland.'"

411. From Cheshire, the third county represented on Mr. Smith's Association, the following evidence was given to us by Mr. Edwards, a tenant farmer near Crewe.

Cheshire.

"Is there any desire of farmers in your district to have their rents determined by independent authority?—I do not hear anything of that sort. There are a few who are of that opinion. I may say 90 per cent., or more than that even, are quite satisfied by making their own arrangements with their landlords."

Edwards,
25,188.

Similar evidence was given by Mr. Thomas Parton, of Weston Hall, in the same county, who for 25 years had farmed 656 acres on a yearly tenancy at a rent of about 30s. an acre, which had not been reduced in consequence of the agricultural depression. The following are extracts from his evidence:—

"Are you in favour of judicial rents, of referring the question of rent to an independent tribunal?—No."

Parton,
26,030.

"Do you know what the opinion of tenants in your district is on that subject?—The opinion generally is that it should be a free contract between the two parties."

26,031.

412. Leaving the counties represented on Mr. Smith's Association, we find in Yorkshire a strong feeling against his proposals. Mr. C. Middleton, who gave evidence before

Yorkshire.

- Middletcn,
2280.
2592.
Harrison,
1528.
1421.
Riley,
36,558.
36,559.
36,560.
Rowlandson,
17,459 to
17,466.
Lipscomb,
20,933-5.
Norfolk.
Read,
16,112.
16,114.
Suffolk,
Biddell,
39,307.
39,409.
Wilson Fox,
Rep. on
Suffolk,
para. 25.
- us on behalf of the Cleveland Chamber of Agriculture, and, at the request of the Central Chamber of Agriculture, informed us that the question of establishing a tribunal for fixing rents had been discussed in his Chamber of Agriculture, and that the feeling against it had been most emphatic. He objected to an outside tribunal fixing the rents for the same reason that there would be to fixing the price of any other commodity. Mr. W. Harrison, the President of the Malton Agricultural Club, and Honorary Secretary of the Yorkshire Union of Agricultural Clubs and Chambers of Agriculture, stated that there had been no movement in favour of Land Courts in Yorkshire; that he did not care about a Land Court; he thought it would create discord very likely between landlord and tenant; and he did not see any use of it. Mr. E. Riley, who had been for nine years a member of the Council of the Chamber of Agriculture, and who was also a member of the Great Yorkshire Society and the British Dairy Farmers' Association, being asked whether there was any desire in his district for any new legislation in the nature of a Land Court, replied: "No, I think not. There are a few, as I said, who say we ought to have an Irish land law, but I think they are exceptions."
- "They are in a great minority?—A very great minority."
- "And they do not represent feeling or opinion in Yorkshire at all?—No, we do not believe in it. As I said, there is such an extremely good feeling between landlords and tenants that, in fact, many of the landlords would do very much more, but they are not able to do it."
- Mr. S. Rowlandson, tenant farmer, living at Newton Morell, near Darlington, stated that there was no demand in his district for the determination of rents by an independent tribunal; that the question had been discussed by the farmers in the district, and they were not favourable to the proposal; and the general opinion of the tenants was that rent was a question between the owner and occupier.
- From the same county Mr. William Lipscomb, who had for the last 20 years been President or Vice-President of the West Riding Chamber of Agriculture, and one of the Council of the Central Chamber of Agriculture, and who had served on the Committees appointed to consider tenant right questions, acting as chairman on the last two occasions, being asked why, as he approved of the principle of referring claims of compensation to valuers or referees, he would not apply the same principle to the fixing of fair rents, where landlords and tenants cannot agree, replied: "Well, that of course is the old Irish system, of which I entirely disapprove. You at once endorse the dual ownership, with all its concomitant evils, and I am perfectly sure that although there may be a few cases of unmerited hardship, as a rule it would be a very bad system attended with a very large expense; and I do not know who would have to pay for it."
413. The above evidence comes from counties which have not suffered so severely as others from the agricultural depression. It is, however, corroborated by that which comes from the more distressed counties. From Norfolk, Mr. Clare Sewell Read, who for many years represented the tenant farmers of his district in Parliament, gave the following evidence on behalf of the Farmers' Club and the Norfolk Chamber of Agriculture.
- "Is there any movement in your district among the farmers in favour of judicial rents or arbitration on rents?—One man in a thousand, perhaps, might be foolish enough to argue it, but I have never heard any farmer ask for it."
- "Has it been discussed by your Chamber of Agriculture there?—Yes, we always have one or two fiery spirits who go in for all sorts of reforms and revolutions; we let them talk and we do not take any notice of what they say."
414. From Suffolk, Mr. Herman Biddell, a land agent and tenant farmer residing near Ipswich, who stated that he had an intimate knowledge of all parts of Suffolk, informed us that he had heard no complaints at all on the subject of land tenure in the county.
- In his report on this county, Mr. Wilson Fox says:—
- "Practically, no complaints were made as to insecurity of tenure, at public meetings, inquiries, or in private. I do not think it can be said that anything of the sort exists; a great deal of land is unlet, a very great deal is let at almost nominal rents, because owners cannot afford to cultivate it themselves; landowners find great difficulty in retaining their tenants, and a still greater difficulty in getting new ones; in short, tenants in the greater part of the county can dictate their own terms, and landlords are prepared to make any sacrifice either to retain or acquire them."

"Under these circumstances, even if landowners were inclined to be harsh, and the evidence of the farmers goes to show that the contrary is the case, they are not in a position to put any pressure on tenants, or even to refuse their demands in many cases.

"The farmers at the meeting at Lavenham stated: 'As to fixity of tenure, we are all too much fixed already.'

"Mr. Girling, farmer, vice-chairman of the Blything Board of Guardians, said: 'We have security of tenure enough. We want no more. We can secure what we want from the landlord. The people we want security from are the lawmakers. They are our greatest enemies.'

"The next farmer to whom I mentioned the subject, replied: 'If we can't make a bargain as well as anyone else, God help us!'

"Mr. Wrinch, 1,500 acres, said: 'If we can't make our own bargains we won't ask anybody else to help us to do so.'"

Out of the large number of tenant farmers interviewed by Mr. Wilson Fox, and at the numerous meetings he attended, he says:—"Only three witnesses stated that there was not sufficient security of tenure." One was at the Ipswich meeting, but those present appeared to differ entirely from his views. Another complained of having been given notice to quit on account of differences he and his landlord had over some game preserving; and Mr. Unwin, of Bury St. Edmund's, said, "There is not sufficient security for a good man. If a man farms badly he is as safe as a house. What we want are long leases with the option of a break."

415. In his report on Lincolnshire, Mr. Wilson Fox says:—

"It may be some indication that tenants are satisfied with their present rents, and their conditions of tenure generally, and assuredly an indication that they are in a position to make their own bargains with freedom and to their advantage, that there is no desire in any part of this large county to refer any fresh questions affecting contracts between landlord and tenant to arbitration. With but four exceptions, no witnesses out of all the numbers I interviewed at public meetings or inquiries, or on any other occasion, advocated the fixing of rent by arbitration, or even alluded to the subject.

Lincolnshire.
Wilson Fox
Rep. on
Lincolnshire
par. 30.

"Having met, when I was reporting in Lancashire, an Association in favour of a Land Court, to which the fixing of rent and the settling of nearly every contract which arises between landlord and tenant should be referred, I made it my business when visiting every part of Lincolnshire to ascertain if these views were supported in that county.

"On the contrary, the farmers, both large and small, expressed in strong terms their dislike to such proposals, and several stated they would sooner give up farming than go before any tribunal to settle questions between them and their landlords.

"At a large meeting of the Lincolnshire Agricultural Society, where I had the opportunity of hearing the opinions of nearly all the representative farmers in the county, it was stated:—

"The best feeling exists between landlords and tenants. There is a strong feeling that any outside interference is most undesirable."

"The farmers at the 'ordinary,' at Grantham on market day, said:—

"Every one in Lincolnshire is against outside interference in fixing rent. There is not a single party in this room who would like any individual in the room to assist him and his landlord in fixing a fair rent, though we are all friends. Much less should we like an outsider called in. We can and we prefer to fight our own battles.

"At a Boston meeting it was stated:—

"We are dead against a Land Court. If we cannot look after our own interests we don't want anyone else to do it for us."

"Similar opinions were expressed at meetings at Grimsby, Brigg, Louth, Horncastle, Alford, Sleaford, Lincoln, and Spalding.

"Mr. Reuben Roberts, of Horncastle, corn merchant and farmer, 2,000 acres, says:—

"What is to be done with the small freeholder who bought his land, and is perhaps in a worse position than the tenant farmers? Land Courts would be of no use whatever to him. Would these people, who propose to establish Land Courts, think it necessary to have another court to fix the rate of interest on all mortgages on land, whether small or great."

416. In his report on the Salisbury Plain district of Wiltshire, our Assistant-Commissioner, Mr. Henry Rew, says:—

"As regards the terms of tenancy more than one farmer stated that nowadays an incoming tenant could make his own bargain. Yearly agreements are now practically

Wiltshire.
Rew, Rep.
on Salisbury
Plain, para.
42.

universal, though on some estates two years' notice is stipulated for. Formerly leases were very general and a few still run, but new leases are only taken in very few cases and under special conditions and circumstances. One large farmer in the Amesbury Union said that in many cases leases had been cancelled. In point of fact a long lease in times of continuously falling prices is objectionable both to landlord and tenant. The latter naturally fears to bind himself to pay a rent which, though reasonable at the time, may in a year or two become exorbitant while the landlord knows that if prices fall heavily he will not be able to insist upon the stipulated rent."

Hampshire.
Stratton,
6424.
6884 to
8691.

417. Mr. James Stratton, who rents and farms 5,500 acres in Hampshire and Wiltshire, states that he is not in favour of any tribunal for fixing the rent between landlord and tenant, that the question has not been mooted by farmers in his district; and that there is no movement in that direction. He thinks that the question ought to be ruled by the law of supply and demand.

Cambridge-
shire.
Wilson Fox,
Rep. on
Cambs,
para. 23.

418. In his report on Cambridgeshire, Mr. Wilson Fox says:—

"During my visit to the county no witness expressed himself in favour of a Land Court, or a court of arbitration to deal with rent, or with any matter relating to tenure. On the contrary, a number of witnesses expressed their strong dislike to such proposals. As there was a unanimity of opinion on this subject, I will not burden this report by quoting any evidence except that of those whose opinions carry the most weight. The meeting at Wisbech, which was attended by representative men holding different political views, stated:—

"We are all against Land Courts, and can make our own bargains. 'Make your own bargain' is the feeling in this country."

(Oxford,
Gloucester,
Bucks,
Somerset-
shire, Wilts,
Hertford-
shire.

419. Mr. Aubrey Spencer, one of our Assistant-Commissioners, who was appointed to examine into the state of agriculture in the counties of Oxford, Gloucester, Wilts, Bucks, and part of Somersetshire and Hertfordshire and the Vale of Aylesbury, gave the following evidence with reference to the first five of the above-named counties:—

Spencer,
46,433.

"Did you find among the farmers that you saw that there was any desire for judicial rents?—Very little. There were one or two cases I met, but they were quite exceptional.

46,434.

"Should you say that the general view of the farmers in the district has been against it?—Certainly I should say so in those districts that I visited.

46,435.

"Did you meet the farmers at any considerable number of meetings?—Yes, I held a great many meetings.

46,436.

"Was the subject discussed then?—It was occasionally suggested but did not meet with the approval of the greater number of the farmers present. I think I heard more about it perhaps at Taunton than at any other place I visited. There are one or two there who have some feelings in that direction, but even there it was not supported by the majority of farmers."

Spencer,
46,596.
46,597.

420. The following is an extract from the evidence received by the same Assistant-Commissioner with reference to Hertfordshire and the Vale of Aylesbury:—

"Did you find any demand in either of those districts for judicial rents?—No.

"Was the question mooted?—I do not think it was mooted in the Aylesbury or Hertfordshire district; I did hear it mooted in my other district, as I have said."

Treadwell,
39,795.

Mr. John Treadwell, who farms over 900 acres and resides at Upper Winchendon, near Aylesbury, gave the following evidence:—

"Is there any demand among the farmers of your district for judicial rents, or interference between landlord and tenant?—No, I think not.

39,796.

"Has it been discussed among the farmers?—Yes, but if anybody does mention such an idea he is almost hooted down in my district."

Hertford-
shire.
Lawes,
40,925.
40,928.

421. As regards Hertfordshire, Sir John Bennet Lawes gave the following evidence:—

"Is there any feeling in your neighbourhood in favour of judicial rents?—No, none at all; they are all annual tenants as a rule.

"Has the question of judicial rents been discussed among the tenant farmers in your neighbourhood at all?—Not at all."

Bedford,
Huntingdon,
and North-
ampton.
Pringle,
Rep. on

422. In his report on the counties of Bedford, Huntingdon, and Northampton, Mr. Hunter Pringle says:—

"The tenant farmers of these three counties are strongly of opinion that some reform in our land law is required, and they frequently submitted to me that unless something is done to fortify the position of the good tenant and protect him when

disputes about rent arise, we need not expect capital to be invested in farming. They desire not the shadow but the substance of security." He, however, adds: "In venturing upon any attempt to interpret the views of farmers in this important connexion, I am particularly desirous the Commissioners should understand that it is only by endeavouring to lay hold of the vague and imperfectly developed ideas which farmers appear to have on these points, I feel in a position to deal with the evidence before me. No person laid before me a complete or detailed scheme for arbitration or the settlement of disputes between landlord and tenant, but there appeared to me to be in their thoughts what might be termed a *principle in embryonic form*, and the germ of that principle I took to be a reference to some individual whose office it would be to settle disputes without the objectionable features of a public land court."

Hunts,
Northants,
and Beds,
par. 187.
Id., par. 189.

423. Subsequently, in his evidence, Mr. Pringle stated that he believed that he "did meet with two persons who were rather in favour of a land court, but the great majority were not"; that he was sure that there would be an unwillingness on the part of farmers to accept any decision for a definite period; and that the same objections which they held to making a lease for seven or nine years would hold to any determination of rent by an arbitrator for the same period. In view of his evidence on this subject, we thought it desirable to ask Mr. Pringle to suggest two witnesses, who, in his opinion, would fairly represent the views of the farmers of this district &c. it. He selected Mr. E. M. Nunnally, who farms 690 acres in East Northamptonshire, and Mr. Richard Britten, who farms 1,000 acres in the same county. The former of these gentlemen gave the following evidence:—

Pringle, 48,
140.

Pringle 48,
168.

Nunnally,
56,016-56,018.
Britten,
56,411.

"You are not in favour of arbitration on rents, that is, the judicial determination of rent?—I should hardly go so far as that. If it could be fairly provided, I think it would be a good thing.

56,069.

"Do you see difficulties in the way?—Yes, I do.

56,070.

"I presume you consider that there would be some difficulty in compelling a tenant to pay rent that he objected to?—I do not see how it is possible.

56,071.

"If you have an arbitration on rent it must be equal to both parties?—Yes.

56,072.

"And if the arbitration rent is more than the tenant would offer, then the tenant would be compelled to pay beyond what is a right one?—Practically, you could not compel him; he would leave.

56,073.

"That is an objection to the scheme?—That is so.

Britten, 56,074.

"That is a serious difficulty in the way of a judicial determination of rent?—It seems to be compelling the landlord where you could not compel the tenant.

56,075.

"It would be unequal between the two?—Yes."

56,076.

The following are extracts from Mr. Britten's evidence:—

"It has been represented by Mr. Hunter Pringle, who has reported on the district, that although the tenant farmers generally are not in favour of judicial rents in the strict sense of the term, yet that they are in favour of some process of arbitration as between landlord and tenant of a compulsory character, including the subject of rent. The difference, I understand, is that he considers that judicial rents would involve an open and public inquiry, whereas the arbitration in rents, in his sense, would be merely a private inquiry as between landlord and tenant, but not open to the public. Now, do you think that there is any feeling, so far as you are aware, in favour of that second process?—No, from friends whom I have talked to on the subject, I think they are satisfied with the landlord and tenant making a bargain for themselves without any interference.

56,467.

"As a matter of fact, in these days, when in many parts of the country landlords find very great difficulty in getting suitable tenants, or desirable tenants, for their farms, is not it the fact, as far as you know, that tenants are in a position to make very favourable agreements themselves?—Certainly they are, at the present time.

Britten,
56,596.

"Tenants, as a rule, have been enabled to take care of themselves?—I think so. I am strongly of opinion that the landlord and tenant should make agreements themselves without outside interference.

56,599.

"You think, as a rule, when agreements are made on these terms between themselves they turn out more satisfactorily than if the law were always interfering on hard and fast lines with them?—It makes the parties more agreeable with each other."

56,600.

424. In addition to the above quotations from the evidence of those practically concerned in the cultivation of land, which might if necessary be multiplied very considerably, we have heard the following evidence from Mr. S. B. L. Druce, who since 1876 has been secretary to the Farmers' Club in London.

Druce,
19,911.
19,912.

19,950. "Are you of opinion that there should be an outside authority for the fixing of rents?—No, most decidedly not; I think the landlord and tenant ought to settle that matter between them, and they are quite competent to do it. I have not such a bad opinion of English farmers as to think that they are not quite capable of getting their land as cheaply as possible, and I think that landlords can very well manage their own affairs, and get as much rent as possible.

19,951. "Do you think the farmers as a rule are of the same opinion as yourself on that subject?—Yes, I do. There are very few farmers that I have ever come across who want any outside authority to settle rents between landlord and tenant.

"Quite apart from the landlord, you think it would not benefit the tenant?—I do not think it would benefit the tenant.

19,952. "He would not have lower rents than he has at present?—I do not think it would benefit him at all. The authority would have to act, I take it, according to rules, and could not take into consideration the poverty of the tenant, or anything of that sort. He would have to exercise his discretion, so to say, in a judicial manner, and I very much question whether it would tend to the benefit or advantage of the farmers at all to have such an authority.

20,370. "May I ask has this matter been discussed by the Farmers' Club, and is that their opinion?—Yes, we had several discussions on it in the days of the Farmers' Alliance, that is, from 1880 to 1883 or 1884.

20,371. "Have you had discussions on it lately?—Yes, but not so frequently as then.

20,372. "You are of opinion that this matter ought to be settled between the landlord and tenant?—Certainly.

20,384. "Will you admit that there is a growing feeling in England in favour of land courts?—No."

Scotland,
Perth, Fife,
Forfar, Aberdeen,
Roxburgh,
Berwick, Selkirk,
the Lothians,
Banff, Nairn,
and Elgin.

Hope,
12,167.
48,357.
48,363.
48,364.

425. In Scotland our Assistant-Commissioner, Mr. James Hope, who visited and reported on the counties of Perth, Fife, Forfar, Aberdeen, Roxburgh, Berwick, Selkirk, the Lothians, Banff, Nairn, and Elgin, has informed us that "except in the north at Aberdeen, and perhaps at Banff and round some of those places," he found no desire amongst the farmers for the judicial determination of rents. The subject was discussed at the meetings, which he attended; but there was no desire to bring the Government to interfere between landlord and tenant as to rent, which they considered was a matter solely between landlord and tenant.

Ayr, Wig-
town, Dum-
fries and
Kirkcud-
bright.
Speir,
46,989.
47,031,
47,082.

426. Mr. John Speir, who visited and reported on the dairy districts in the counties of Ayr, Wigtown, Dumfries, and Kirkcudbright, states that the number of persons in favour of a Land Court is comparatively small, but that it has increased during the last ten years. He found a certain number of farmers in favour of it; but he is not personally in favour of having any statutory revision of rents of land held on lease.

Perthshire,
Ferguson,
22,800
to 22,807.
21,963.
Hutcheson,
24,438.
Forfarshire,
Bell,
26,239.
26,253 to
26,256.
26,447.

427. Mr. W. S. Ferguson, farming 1,030 acres in Perthshire and proprietor of one of the largest chemical manure works in the Midland counties of Scotland, says that there is no demand in his district for judicial rents. His evidence is corroborated by Mr. A. Hutcheson, the vice-chairman of the Perth County Council, who says that there is no movement in the district in favour of a Land Court.

428. Mr. William Bell, who holds three farms in Forfarshire, and has been a tenant farmer for 23 years, and who is employed in agricultural valuations and arbitrations in the counties of Forfarshire, Fifeshire, Kincardineshire and Perthshire, says that there is no demand in his district on the part of tenants for judicial rents; that he has never heard any such desire expressed; and that there is no wish for anything of the sort in his country, so far as he is aware.

429. No witness who has come before us from Scotland has been in favour of a Land Court or of judicial rents, although the feeling in that country is extremely strong in favour of an amendment of the Agricultural Holdings Acts, so as to secure for tenants full compensation for their unexhausted improvements.

430. It is clear from the foregoing facts that, apart from any question of the injustice to individuals, and the injuries to agriculture, which would be caused by the creation of Land Courts or other similar tribunals in this country, they would be exceedingly unpopular with an overwhelming majority of the tenant farmers, in whose interest it has been suggested that they should be established. The latter evidently entertain a wholesome dread of the unnecessary litigation which they would create, and are of opinion that they can make better bargains with their landlords for themselves than lawyers or Land Courts are likely to make for them. They believe that the adoption

of the policy of the three F.'s in any shape or form would constitute an altogether uncalled for interference between landlord and tenant, and, so far from bettering their position, inevitably make it worse.

431. We have no doubt that these opinions are well founded. So far as the landlords are concerned, the creation of any such tribunal could not fail to diminish the interest which they now take in their properties, and we are strongly of opinion that it would greatly decrease, if it did not entirely arrest expenditure on permanent improvements. It is manifestly of the greatest importance to agriculture that every reasonable encouragement should be given to this expenditure; and that landowners should in every way be encouraged to take an active and personal interest in their estates, and by a judicious expenditure of capital assist their tenants to compete with the producers of agricultural produce in other countries.

432. We have therefore, without hesitation, arrived at the conclusion that the creation of any court or tribunal for the purpose of establishing, wholly or partially, the policy of the three F.'s would be a grave and serious injury to the agricultural community and to the industry which has been committed to our inquiry throughout Great Britain.

CHAPTER III.

Rents.

433. In connexion with the proposed establishment of land courts dealt with in the preceding chapter, we have now to examine the allegations by which the proposal is supported, namely, that rents for land in Great Britain, although reduced, have been and still are excessive, that to this cause agricultural depression is largely due, and that the remedy is to be found in further large reductions.

Kidnor, 2881.
Scrutton, 35,084.
Lcn4, 25,700.
Hutchinson,
24,464.
W. Smith,
9374, 9655.
Middleton,
2449 57.

434. During the earlier years of a period of agricultural depression, or whenever sudden and rapid falls in agricultural prices take place, it is not to be expected that the strain upon tenant farmers can be fully met by immediate and adequate reductions of rent. The period which we are dealing with was ushered in by several bad seasons, and the Richmond Commission in 1882 attributed the depression which had prevailed up to that date, mainly to that exceptional and temporary cause. After a quarter of a century of agricultural prosperity neither landlords nor tenants reckoned upon the unprecedented fall in the value of farm products which has continued with rare intermissions during the last 18 years, and adequate steps were not taken from the first to cope with the grave difficulties that were impending. Nor is this difficult to explain. Landlords have not been accustomed in the past to raise the rent because the year happened to be a good one, and while willing to assist their tenants suffering from the effects of two or three bad seasons by temporary abatements of rent, or by the remission of arrears, they saw no grounds for the permanent reduction of rents which were fixed on the principle that the losses of the bad years were compensated by the profits of the good years. Then when the reductions were made, so far as they could be made upon any principle at all, they were based upon the prevailing conditions and prices of the day, which latter it was hoped had "touched bottom."

Pell, 17,706.
Middleton,
2679.
Royal Agri-
cultural
Commission
Report.
C.—3309 of
1882, p. 24.
Spencer, 46,437-8.
Bear, 27,732.
Biddell, 39,468.
Pringle, 47,911-5.
Williams, 57,481.
Fox, Camba.,
par. 55.
Hope, Perth, &c.,
par. 36.

435. It is not easy to see upon what other principles rents can be based, whether they be fixed by agreement between landlord and tenant, or by some outside authority. Agriculture cannot be successfully conducted unless the farmers' capital is sufficient to carry them through the ordinary vicissitudes of their business. Rents irregularly fluctuating with the accidents of the weather or the markets, assuming such to be practicable, would be intolerably irksome to both landlord and tenant; farming agreements must therefore be settled with regard to the existing conditions of agriculture, and in reliance upon their continuing, one year with another, fairly constant. But they obviously cannot stand the strain of a long period of adverse circumstances. and

although it must be placed to the credit of the landlord and tenant system that the tenants are not long left to bear unaided the pressure of bad times, yet it appears to be inevitable that the first stress should fall upon them, just as we should expect to find that they will reap the first fruits of returning prosperity.

436. Unless, then, it is assumed that we have arrived at a period of comparative stability in agricultural conditions, we have no trustworthy data for an inquiry into the "fairness" of existing British rents, the settlement of which must in the absence of such assumption be of a conjectural and haphazard character, as has been largely the case during the last 18 years. Even granting this assumption, the inquiry is one of great difficulty, and unless a farm-to-farm visitation could be held, a conclusion can only be arrived at upon very general grounds.

C.—8300 of
1896.

437. We have endeavoured to form some fairly accurate estimate of the total fall in rents for agricultural land since the depression set in, but there are no figures which afford a trustworthy basis for comparison. The income tax valuations in Schedule A. show a fall in the gross annual value of "lands" between 1879 and 1894 of 23·4 per cent., and it may be taken, for reasons stated elsewhere, that the fall cannot have been less than this. How much more it may have been can only be a matter of conjecture. Sir James Caird, in his evidence before the Royal Commission on the Depression of Trade and Industry in 1886, estimated the fall up to that time at 30 per cent.

The evidence, however, before us shows :—

See ante,
paras. 34–69.

(a.) That with some exceptions, chiefly in Wales, where remissions have been made instead, reductions in rent have been general, varying between 10 and 30 per cent. in the less distressed districts, while in the most depressed parts of England, they average probably 50 per cent., frequently reaching 70 or 80 per cent.

(b.) That in those districts where reductions have been heaviest, the depression still continues most severely.

Rowlandson,
17,573.
Nokes, 3385.
Britten, 54,468.
Carrington-
Smith, 9740.
Stratton, 6479.
Scott, 30,042.
Epton, 36,092.
Fyfe, 58,947.
Read, 16,323.

C.—8125 of
1896.

438. The evidence before us pointing to the conclusion that rents are still too high is, generally, that of a large number of tenant farmers, and it is fortified by the results deduced from 103 farm accounts, all from England (*see* para. 109), furnished to us by our Assistant-Commissioners. Of these only 69 are from tenant farmers, and give sufficient detail to enable them to be checked. Up to 1894 a tenant farmer's average profit was taken for income tax purposes at seven-sixteenths, or 43·75 per cent. both in England and Wales, of the gross rent,* but the profit as shown in these accounts, some of which go back 20 years, has only been 26·66 per cent. on the gross rent, including tithe rentcharge. Taking those accounts, and they are by far the larger number, which relate to the six years 1889–94, of which three were good and three bad years, the profits shown have been 24 per cent. of the gross rent. But it should be noted that in none of the accounts is any allowance made for the benefit which the farmer has derived from the use of the farmhouse as a residence, and that in many of them it is not clear that any account has been taken of the produce of the farm consumed in the house. Moreover, 50 of these 69 accounts relate to the eight chief corn-growing, and therefore most depressed, counties, and the whole 69 are collected from only 16 of the 52 counties of England and Wales.

439. The losses and disasters of farmers testified to by some of these accounts and other evidence, undoubtedly raise a presumption that, amongst their other difficulties, the rents paid by them were, in some instances, too high. But before this is established in any given instance, it would be necessary to investigate all the circumstances, including the adequacy of the farmer's capital employed, as well as the quality, situation, and equipment of a farm. It then might, perhaps, be explained how, while the results shown by the accounts are so unsatisfactory, in 16 instances (seven of which refer to Essex), profits were earned between 1889 and 1894 of from 5 to 24 per cent. on the capital employed, the rents paid ranging from 9s. 7d. to 34s. 5d. per acre. While the facts, then, require detailed investigation, it must be borne in mind that the opinions of tenant farmers upon such a question as rent, although given with perfect

* By the Finance Act of 1896 a tenant farmer's income for the purposes of income tax has been taken at one-third, or 33·33 per cent., of the full annual value or gross rent of his holding, thus assimilating the practice in England and Wales to that which has hitherto prevailed in Scotland.

sincerity, and entitled to due consideration, cannot, any more than those of landlords and agents, be accepted as the views of disinterested witnesses.

440. Against the evidence adduced to show the insufficiency of the reductions of rent already made may be placed the opinions of landowners, agents, and some tenant farmers. But the opinions and experience of individuals upon such a subject, whichever way they point, are subordinate in value to the broad facts which have been substantiated, and which do no more than embody the inherent probabilities of the case. After 18 years of deepening depression, it would be strange if the situation were not much better appreciated by agriculturists of every grade than it was in its earlier stages, and if mistakes are still made in bargaining for farms, we should not expect to find them in the direction of undue optimism. Farms being so generally hired now in England and Wales from year to year, tenants have in their own hands the power of obtaining frequent adjustments. That a concurrence of view on the subject of rent has, generally speaking, been arrived at is proved by the fact, that the great bulk of the land is still farmed by tenant farmers who have proved their ability, in the great majority of cases, to obtain from their landlords substantial and presumably adequate reductions of rent.

Fox, Cambs.,
par. 40.
New, Wilts.,
par. 24.
Id., Norfolk.
par. 43.
Harrison, 12,638.
Romford, 14,059-80.
Lolton, 4308.
Wantage, 4639.
Lugram, 3884.
Murray,
5124-5043.
Rialston, 24,861.
Muirhead, 30,600.
Boyd Kinnear,
50,923-78.
Drummond,
60,288.
Kingscote, 140.
Broughton,
15,323, 15,437.
Hope, 45,340.
Flockhart, 52,730.
Rutter, 34,303.

441. For farms of good quality and favourably situated there is still in most parts of the country competition. Farmers are more ready to pay high rents for good, than low rents for bad farms, and the continuance of the competition seems to show that this is no miscalculation; at all events we have had no evidence to satisfy us that there is any need for exceptional legislation to protect farmers either in their own interests or those of agriculture from the effects of the competition which they have set up. This class of land represents, however, but a small proportion of Great Britain.

Lander, 33,328-401.
Riley, 38,371.
Spencer, 46,389.
Pringle, 48,271-5.
Bell, 26,417.
Engleheart,
4267.
Hutcheson,
24,484.

442. When we come, however, to farms, and especially large farms, of average quality, representing a far greater proportion of the land of the country, we find that the competition for these has relaxed, and that in proportion as this has been the case, applicants obtain them on their own, rather than upon the landlord's terms. In many districts there is still a market for these farms, especially in Scotland, Wales, and the north of England, but rents notwithstanding have largely fallen. If they have not fallen sufficiently, the only explanation would be that the lessons of the last 18 years have not been learnt, and that farmers, although competition has slackened, continue to make improvident bargains when they take their farms, or neglect to take advantage of the annually recurring opportunities, which most of them enjoy, of claiming a revision of the terms upon which they hold them. This conclusion is so opposed to all probability and economic theory that we hesitate to accept it, and in our opinion the evidence based upon individual opinion and experience, and upon figures comparing the fall of agricultural prices with the cost of production, is insufficient to displace the presumption that the market price paid for the use of land, as for any other commodity, is the best, if not the only available test of its value.

Rolleston, 13,587.
Simpson, 16,952.
Lopes, 17,024.
Lander, 33,328.
Spencer, 46,391.
Elliott, 52,439.
Squarey, 744.
Lopes, 17,152.
Boyd Kinnear,
50,978.
Fox, 49,739.
Black, 51,565.
Britten, 56,477.
Porter, 603.
Rankin, 5509.
Druce, 21,379.
Lowe, 25,895.
Pringle, 47,585.
Davies, 60,025.

443. There remain wide areas of land situated for the most part in Divisions I. and II. or the arable section of England, where depression has been and still is most acute, and for which tenants are only obtained with difficulty, and at rents practically of their own fixing. They in many cases pay rents insufficient or barely sufficient to pay tithe rentcharge and land tax, and to enable the landowner to maintain his property in tenantable condition. We have no means of forming an estimate of the extent of these lands, but it may safely be said that in the case of ordinary arable or mixed farms subject, as they generally are in the most depressed parts of England, to a high tithe rentcharge and land tax, a rent of 10s. an acre will do no more than enable the owners to discharge the above-mentioned obligations. Much land commands a lower rent than this, and it is obvious that further reductions would at the best be only a temporary relief to occupiers, whose means of making a profit would dwindle with the progressive deterioration of the equipment of their farms.

par. 30.

Brown,
35,797.
Darby,
59,150.

444. As regards then those districts, which are subject to the severest depression, the rent paid for a farm is only the equivalent, and often less than the equivalent, of

the amount which the farmer would have to pay if, as occupying owner, he were responsible for the upkeep of his property, and the public charges upon it. Regarded in this light, it is a fund which clearly cannot be diminished with any real benefit to agriculture. Its reduction would only serve to demonstrate the fact that the land under existing circumstances cannot yield enough to pay its way, and that its cultivation, at any rate as arable land, must sooner or later be abandoned.

Wilson-Fox,
Lincoln,
p. 60.
Stratton,
6715.
Kidner,
2909.

445. We have had some evidence that tenant farmers, owing to their inability to find other employment, to the cost of moving, and still more owing to the loss which in times of depressed prices is incurred by the sale of their farming stock, are so reluctant to quit their holdings, that rather than do so they keep on at a higher rent than they can afford to pay, or than other farmers would offer. In some instances, indeed, these considerations and hopes of better times have, doubtless, caused hopelessly crippled men to cling to their farms, when it would have been better for all concerned if they had given them up. It is possible that the considerations we have alluded to operate with greater force upon farmers than upon other business men, but we believe that the special amenities of farming, such as its independence, the country life, the comfortable house, for which no separate rent is charged, the assured provision of food from the produce of the farm, and the facilities for bringing up a family have at least an equal effect in attaching tenants to their holdings. These attractions have a value of their own, and must not be lost sight of when the profits of farming are compared with those of urban trades or manufactures. It may be that in some instances they lead farmers into paying more rent than it is prudent for them in a commercial sense to pay, but tenants of experience must be assumed to know what is best for themselves, and if they believe that they are paying more than the market value for their farms, the remedy in these days is obvious and easy.

Fox, Suffolk,
nr. 64.
Simpson,
16,952.

Epton,
35,950.
Pringle,
8940-1.

446. Against the cases of unduly high rents paid under the circumstances described must be placed the numerous instances of sacrifices and concessions made by landowners to retain old tenants, when in difficulties, upon their estates upon almost any terms. Had the tenants in these cases been occupying owners, paying interest instead of rent, and charged with the maintenance as well as the cultivation of their property, many of them, as experience has shown in the Isle of Axholme and elsewhere, must have succumbed. Many of our witnesses, including some who contend that rents are still too high, cordially recognise the efforts and sacrifices that have been thus made by landowners, and public interests have no doubt been served by the retention upon the land of trained farmers of the professional class, whose services are essential to the due maintenance and progress of agriculture.

Fox, Glendale,
par 19; *Id.*, Lin-
colnshire, par
76; *Id.*, Suffolk,
par. 64; *Id.*,
Cambs., par. 46;
Rew, Dorset, par.
47; *Id.*, Wilts,
par 24; *Id.*,
Norfolk, par. 43;
Spencer, Berks.
Oxon, &c., par 50;
Middleton, 2278;
Rowlandson,
17,573; Hutche-
son, 24,390; Scott
Edwards, 25,155,
30,114; Dewar,
31,858; Stratton,
34,911; Black,
51,559; Norfolk,
60,883.

447. In discussing the subject of rents and their influence upon agricultural depression, we have not taken into account the important considerations that many estates are heavily burdened with private charges, and that, on the other hand, many others have been benefited by the expenditure upon them of large sums of money derived from other sources than the land. We cannot here deal with this subject, the details of which are inaccessible to us, and we only notice it to point out that according as one or other of these incidents of landownership operate, so will the consequences resulting from agricultural depression, and especially the difficulty of maintaining buildings, drainage, &c. be aggravated or mitigated.

448. We have now made a brief survey of the agricultural position as regards rents. Assuming that rents generally have adjusted themselves, or will soon adjust themselves, to the conditions of the farming industry, and we have given reasons for thinking that this must be so, it follows that the main burden of agricultural depression is being shifted more and more from the occupiers to the owners of land, a result which sooner or later, economically speaking, was inevitable, unless the letting of land stands upon an entirely different footing from similar transactions in other branches of business. But these conclusions must of course be taken in a general sense. The process of adjustment which has been going on for the last 18 years cannot be said to be, without exception, complete. There may be landlords, as there may be tenants, who over-estimate the value of the land which is the subject of their bargains. But these exceptions cannot in our opinion substantially qualify the broad fact that there is a

free market for farms in Great Britain, the conditions of which, perhaps more than at any previous time, are favourable to the hirer rather than to the owner of land.

449. We are far, however, from saying that the position of the farmers of this country can be regarded without anxiety. No doubt the continuous steady decline in agricultural prices has for some time past progressed at a less rapid rate than formerly, but it cannot be said that much confidence as to their future course has yet been developed among agriculturists. If there are further falls in prices, there must of course be further falls of rent. But reduced rents cannot take the place of confidence, and in its absence agriculture will not attract capital, and farmers will not embark upon enterprises which require time and money for their development. Again, farmers' profits, at no time relatively high, have fallen in common with those of most other producers, and this, especially in the case of the smaller occupiers, makes the conditions of their lives harder and increases the difficulty of replacing lost capital. Nevertheless we believe the position to be such that a steady improvement in prices, however gradual or small, would go far to remove whatever grievances may be felt by farmers, and would give heart and encouragement to their much tried industry.

CHAPTER IV.

Sale of Mortgaged Land.

450. The difficulties accompanying the existing depression in agriculture have, we believe, been aggravated by the very general practice of mortgaging land. Any detailed inquiry by us into this subject, however desirable or even necessary, has been precluded by its inquisitorial character. But enough has been learnt to justify us in indicating the grave bearing of the practice upon the existing condition and prospects of agriculture. Moderate loans upon land may, of course, be raised and supported without injury to anyone concerned in its cultivation. But when land is mortgaged to an extent which leaves in bad times a greatly reduced margin of rent to the owner after satisfying, with other burdens, the interest due to the mortgagee, then the owner obviously cannot discharge those "duties" to the land upon the due performance of which the landlord and tenant system is based. Unfortunately during prosperous times landowners borrowed, and investors lent very largely on mortgage of land, land being then regarded as the most safe and improving security for the vast industrial, and commercial savings of the country. The subsequent fall in rents converted in many cases the mortgaged owner into little more than a rent collector for the mortgagee.

451. Furthermore, as a general rule, the rate of interest on mortgages was fixed before the recent universal fall in the rates for the loan of money, and landowners have been unable to obtain as freely as they should have done the benefit of the fall, by reason of the complications, and costliness attending transfers of mortgages. If the present system of transfer of land should be simplified and cheapened, landowners could more readily avail themselves of the fall in the market value of money, and could find lenders who would provide money to pay off existing mortgages and would take over the mortgage securities at a lower rate of interest.

452. The wide prevalence of this system of mortgaging land is mischievous in another way and especially during times of agricultural depression, in so far as it tends to obstruct the dealing with land by sale of the freehold.

No portion of the land can be sold without the consent of the mortgagee. This is sometimes withheld, because the mortgagee prefers that his mortgage should not be paid off by instalments. In other cases the mortgagees, being trustees, do not feel justified in giving their consent without the protection of a decision of the Court. This entails expense which the mortgagor is called upon to defray. We think that the mortgagor would, in his own interest, be likely to sell his land to the best advantage, and that if a notice of the proposed sale were required to be given to the mortgagee, and he had a right, if he thought the sale disadvantageous to himself, to bring the matter before the Board of Agriculture for their determination of this question, with due regard to the interests of all concerned, the consent of the mortgagee to the sale might be dispensed with, without prejudicing the position of the mortgagee. It would be necessary to provide that the proceeds of sale should be paid to the mortgagee and

accepted by him in part payment of the mortgage debt, and on any such repayment he should be entitled to the usual six months' notice, or to six months' interest on the money repaid in lieu of notice.

453. We hesitate to make any recommendation not based upon a sufficiency of direct evidence, but we believe that a legitimate and effective form of relief to agricultural interests would be afforded by some such provision as we have suggested enabling mortgaged landowners to sell portions of their mortgaged estates, and by the simplification and cheapening of our present system of land transfer.

CHAPTER V.

Tithe Rentcharge.

454. We have received numerous complaints as to the incidence of tithes on land which has seriously decreased in value since the period of commutation, and several instances have been brought under our notice where the tithe rentcharge closely approached and some where it exceeded the annual value of the land. Unfortunately, alike for both owners and the agricultural community, several of the counties of England and Wales where the greatest amount of ordinary tithe rentcharge is payable are those in which the land is now least able to bear the burden. Thus the amount of commuted tithe charged on the county of Norfolk is 280,533*l.*, while that on the county of Lancaster is only 73,983*l.*

Pringle,
Essex,
par. 176.
Spencer,
Oxon, &c.,
par. 56.
Tebbutt,
6958-9.
Stratton,
6441.

H. of C.
Return, 214,
1887, p. 294.
Pringle,
Essex, App.
G. 1.

455. In the three counties of Norfolk, Suffolk, and Essex, the commuted ordinary tithe rentcharge amounts to 736,527*l.* out of a total of 4,054,405*l.* for the whole of England and Wales. Attempts have been made to compare the amount of the tithe rentcharge per acre in different counties, but we would point out that any such comparison is impossible, since a very large amount of tithes was redeemed under the provisions of Inclosure Acts before the general commutation, and inasmuch as these Acts were very much more common in some counties than in others, it follows that the proportionate extent of land which was still subject to tithes at the date of the Tithe Commutation Act of 1836, varied extremely. It is therefore within the bounds of probability that in some county where the tithe rentcharge would, if distributed over the whole county, be a small charge per acre, it may still be a considerable burden upon the lands actually subject to the charge.

456. But if it is not safe to assume that a low rate of charge over the whole of a county means a low rate on all the lands liable, it may also be said that even where the average rate per acre is high the figures given are certainly below the actual amount of charge, since the whole of the land is not charged.

Pringle,
Essex,
App. G. 1.

Pringle,
Essex,
App. G. II.

457. Mr. Hunter Pringle gives for each county of England the rate of commuted tithe per acre of the land under crops of all kinds, bare, fallow, and grass, and shows that in Essex the charge equals 6*s.* an acre; in Norfolk it is 5*s.* 1½*d.*, and in Suffolk 5*s.* 3½*d.* He also gives particulars of the acreage and the commuted tithe rentcharge in 37 parishes in Essex, and the average amount of tithe per acre over the whole area in each parish. The charge ranges from 4*s.* 2½*d.* to 8*s.* 4*d.* an acre, and the average amount on 116,000 acres is about 5*s.* 9*d.* an acre.

Giffen,
18,560.

458. In counties where rent has been reduced to a mere nominal sum the existence of a heavy tithe rentcharge becomes an almost intolerable burden. The unequal distribution of the charge is, to a great extent, the result of the tithes having been permanently commuted on the basis of their average money value in the various parishes during the seven years ending with 1835, when much of the arable land, which is now comparatively valueless, produced a substantial income both to the tithe-owner and the tithe-payer. Sir Robert Giffen is of opinion that the commutation was made on the assumption, which has proved incorrect, that agriculture was likely to improve, and that the tithe rentcharge would be a continually diminishing proportion both of the gross produce of the land and of its annual value.

459. We do not think that the original liability to pay a tenth of the gross annual produce of land should become the means of depriving the landowner of all beneficial interest from his property.

460. Of late years the existence of a heavy tithe rentcharge on arable lands has in some parts of the country aggravated the agricultural depression, and placed great difficulties in the way of the continuance or revival of their cultivation. Where the fall in the annual value has been so great as to leave only a small margin after payment of the tithe rentcharge, the landlord has had no sufficient security to justify him in undertaking the requisite outlay on improvements; and where he has not received from the tenant the whole of the stipulated rent, he has, to the extent to which he has had to pay tithes in excess of the rent actually received, found himself in a worse position than if he had allowed the tithe-owner to enter into possession and account for the profits, a state of things which has already arisen in at least one instance within the knowledge of the Board of Agriculture.

Elliott,
39,288.
Darby,
59,206 to
59,208,
59,219 to
59,224.
Squarey,
7407.
Darby,
59,220 and
59,221.
Elliott,
39,275.
39,290.
39,292.
Id. 39,133.
39,135.
Id. 39,294-5.
Id. 39,191 to
39,197.

461. It appears from the evidence furnished to us on behalf of the Board, that there are undoubtedly cases in which the annual value is only slightly above the sum due in respect of the tithe rentcharge, and that there are some where the amount due is equal to, if it does not exceed, the annual value of the land. Where these conditions prevail, the landowner's interest in the land has practically for the time being disappeared, and the position of the tithe-owner has become exceedingly precarious; for if the land is allowed to go out of cultivation, he will lose his tithe rentcharge.

462. The only attempt which has yet been made to give relief to the tithe-payer in these cases is to be found in section 8 of the Tithe Act, 1891. The intention of this section was to prevent land going out of cultivation by protecting the tithe-payer from being required to pay more tithe in any year than two-thirds of the gross value of the land.

54 Vict. c. 8.
s. 8.
Elliott,
39,094.
39,109.
Id. 39,096.
39,288
Id. 39,099.
Id. 39,105.

463. We learn that the Board of Agriculture have received many complaints as to the inoperative character of the section; that it has undoubtedly not had the operation which it was expected to have, and which, in the opinion of the Board of Agriculture, it ought to have had; and that the reasons which have brought about this result are, "Firstly, the high standard adopted by taking the assessment to the income tax, Schedule B.; and secondly, the high proportion—two-thirds—taken to arrive at the net value of the land."

464. The Board of Agriculture are accordingly of opinion "that the remission of tithe rentcharge might be very well allowed down to one-half of the assessment under Schedule B., having regard to the very high standard which that schedule may be said to represent," and that remissions of rents and irrecoverable rents, in respect of which income tax under Schedule B. is repaid, should be taken into account, subject to certain rights of appeal, even although the assessment remains unaltered.

Elliott,
39,160.
Id. 39,161.

465. They also think that the tithe-owner and the tithe-payer should be empowered to enter into agreements for the reduction of the amount payable for a term of years, subject to the approval of a central authority, and after due notice to the bishop of the diocese; and that, with a view to the prevention of litigation, the Board of Agriculture might with advantage be substituted for the county court as the tribunal to grant remissions in cases where such agreements have not been entered into, and the amount due exceeds one-half of the gross value of the lands.

Id. 39,191.
Id. 39,193.
39,197.

466. At present tithe rentcharge cannot be redeemed at less than the prohibitive price of 25 years' purchase of the full commuted rentcharge as fixed in the apportionments, together with the expenses of redemption, and an incumbent has no power to bind his successor in any arrangement for a temporary reduction.

41 & 42 Vict.
c. 42. s. 3.
Elliott,
39,273.

467. On this, the Board of Agriculture suggest that greater elasticity should be allowed as regards the terms upon which redemption may be effected, and that the tithe-owner and tithe-payer should be empowered, subject to the proper guardianship of the inheritance, to make their own bargains according to the different circumstances of each case.

Id. 39,272-3.

468. We are of opinion that the alterations in the existing law relating to tithe rentcharge, which are embodied in the above recommendations, and which, so far as the redemption of tithe rentcharge are concerned, are in accordance with the report of the Royal Commission on the Redemption of Tithe Rentcharge, are urgently required in the interests alike of the tithe-owners and the tithe-payers, and that their adoption will have a tendency to prevent land from going out of cultivation in cases where the sum due in respect of the tithe rentcharge is so high as to approach the annual value of the land.

CHAPTER VI.

Dairying.

469. It is clear from the evidence of witnesses that the effects of agricultural depression upon the dairying industry have been much less marked than in the case of the other branches of agriculture, although the trade in manufactured dairy produce has been considerably affected during the past ten years by the increasing competition from foreign countries, and several witnesses have complained of the recent fall in the price of milk.*

470. According to the Annual Statements of Trade since 1886 the net amount of butter imported into this country has nearly doubled.

In 1886, 1,452,000 cwt. were imported, while in 1895 the imports of butter amounted to 2,750,000 cwt., having increased by steady annual increments during this decade.

Of the gross imports in 1895, no less than 1,162,770 cwt. came from Denmark, and 454,843 cwt. from France.

The net quantity of margarine imported into the United Kingdom amounted to 922,000 cwt. in 1895, as against 870,000 cwt. in 1886. There has been a gradual decrease in the importation of margarine since 1892, when the maximum amount of 1,293,000 cwt. was reached.

Annual
statements
of trade.

471. The net importations of cheese have advanced from 1,673,000 cwt. in 1886 to 2,063,000 cwt. in 1895, the greatest amount in the decade being 2,196,000 cwt. in 1894, and the smallest, 1,673,000 cwt. in 1886.

In each of the last three years considerably more than half of the total quantity of cheese imported has been of Canadian origin. The fall in the price of cheese to which we have referred in the chapter on "The Fall in Prices" (para. 175) is due, according to Mr. Lovell, to some extent to the enormous quantities of New Zealand, Australian, and River Plate mutton, which have been imported latterly, and sold at so low a rate as 2*d.* per lb., so that the working classes have naturally preferred to buy the meat. There is, therefore, no doubt that the cheapness of imported meat has affected the price of, at least, the more common qualities of cheese.

Lovell,
62,411.

472. The great competition of foreign butter and cheese has stimulated the development of the milk trade throughout the country, because dairy farmers have found it more profitable to sell milk in its raw state, and in addition much less trouble and risk are involved.†

473. Though the area of permanent pasture land in Great Britain has been increased by 1,065,284 acres since 1886, it is somewhat remarkable to note that instead of an increase in the number of cows in some degree corresponding with this increase of grass land, there were 51,865 cows less in 1895 than in 1886, the figures being 2,537,865 in 1886 and 2,486,000 in 1895. A table was given in the Agricultural Returns for 1894, in which it was shown that in the quinquennial period, 1871-75, the proportion of cows to 1,000 persons, averaging the five years, was 82, and in the quinquennial period, 1886-90, the proportion was 78; the average of the four years ending 1894 was only 77.

474. It is generally agreed that foreign butter, owing to its greater uniformity in quality, colour, and texture, has materially displaced the home manufactured product.

Lovell,
62,327.

Upon this point the evidence of Mr. Lovell, a large dealer in butter, is strikingly confirmatory. He says that English butter has lost its hold on the English market, (1) because of the difficulty in getting a sufficient quantity and a regular supply of the finer qualities; (2) the irregularity in quality and colour; (3) the inability to get it packed as desired; (4) the small supply obtainable during the winter months. All these deficiencies are not found in the foreign butter.

Lovell,
62,346.

He adds: "The very finest sample of English butter that you can produce, carefully made in a dairy, would be as fine as any butter you would find anywhere in the world; but the average class of it would not be anything like equal to the average quality of our best Brittany butter, on account of the want of uniformity and bad manufacture."

* Pringle, Essex, par. 141; Spencer, Berks, &c., par. 89; *id.* Aylesbury, par. 60; Stratton, 6874-6; Strutt, 13,836; Pell, 17,700; Sparkes, 21,012; Sheldon, 21,347; Kirby, 60,638; Norfolk, 60,946.

† Stratton, 6,463; Strutt, 13,829; Finney, 35,309; Norfolk, 61,125; Cocks, 1,940; Osborne, 35,532; Pringle, 47,702; Spencer, 46,587-8; Jones, 58,087.

Numerous other witnesses whom we have examined on this subject have expressed similar views.*

475. Wherever creameries or factories have been established in Great Britain the quality of the butter has been greatly improved.

Drew, 53,719.
Rutherford,
55,061.
Wilson Fox,
61,206.
Anderson,
45,139,
45,167.

We have received striking evidence from Mr. R. A. Anderson, the Secretary of the Irish Organisation Society, of the success which has attended the development of the creameries system in Ireland.

This is the main secret of the success of the Danish dairy farmers who send their milk to co-operative dairies, where the object is rather profit to the farmers or producers than profit on the working of the company.

Craigie,
39,948.

476. We are told that Danish butter is slightly salted, and is the highest priced salted butter sold in London. Its supply is even larger in the winter than during the summer, because the Danish farmers have paid great attention to winter dairying and provide a supply at the time when it is most wanted.

Lovell,
62,342.
Vol. III.,
Evidence,
App. A. XX.

Mr. Dunstan, Director of Technical Education under the Nottinghamshire County Council, and head of the Agricultural Department at the Nottingham University College, who has visited Denmark and studied the systems of dairying adopted there, believes that if there is any large increase in the imports of cheap butter from America, the Colonies, or Ireland, the margin of profit accruing to Danish butter might vanish, and the trade disappear, as it is so very near the border line. He adds, "What the Danes viewed with the greatest alarm was the increasing imports (into this country) of Irish butter."

Dunstan,
44,924.

Dunstan,
44,921.

477. At the same time, it is evident that considerable improvement in the quality and uniformity of butter has resulted from the institution of creameries and factories in Great Britain and Ireland, and the extension of these was advocated by some witnesses. Mr. Biddell suggested that butter factories should be established by the Government, and he believed they would be successful. But in Ireland creameries have been established without Government aid, and upon co-operative lines, as pointed out by Mr. Anderson, who says, "I think they are co-operative, in the strict sense of the word, in every way. The shares are all owned by the owners of the cows, except that in a few instances some few people have shares who are not cow-owners, but they have merely taken shares, not as an investment, but in order to help the thing forward as a local institution. They are entitled to 5 per cent. on their capital; that is the first charge on the nett profit, but the remainder of the profits becomes the property of the suppliers of the milk and the workers in the concern." Seventeen of these societies were formed in 1891 in the counties of Limerick, Cork, Tipperary, Waterford, Carlow, Kilkenny, and Clare, and in April 1895 there were 40 new societies in various stages of advance. In 1894 the quantity of butter produced by these societies was 3,567,835 lbs., which was almost entirely sent to England, and obtained the best prices for butter sold wholesale in the English market, as well as the highest prizes where it was exhibited.

Rankin,
5618.
Pell, 17,966.
Sheldon,
21,577.
Lander,
33,447.
Adams,
42,037.
Rutherford,
55,059.
Wilson Fox,
61,206.
Biddell,
39,674.
Anderson,
45,018.
Id. 45,013,
45,035.
Id. 45,03-79.

478. There is a definite distinction noted by witnesses between a creamery and a factory. In the former case, as generally understood, the milk is sent there to be manufactured into butter, whereas in the latter the butter itself is consigned to the factory to be worked up again and classified, or graded, to obtain uniformity.

479. Normandy butter is treated in factories in this fashion. In Denmark butter is made in creameries, and in Great Britain the creamery system is more general than the factory system, though hitherto neither have been widely adopted, but Mr. Lovell states that in his extensive experience he has found no difficulty whatever with regard to butter obtained from factories, run on the same system in England; but he adds that his firm have constantly had difficulties in respect of butter made in creameries.

Lovell,
62,353-74.
Lovell,
62,374.

480. It appears to us most desirable that the action of the Irish dairy farmers in the direction of co-operation should be more extensively adopted in Great Britain, where the conditions are more favourable.

481. We learn that 47 out of the 49 County Councils in England, through their Technical Education Committees, are endeavouring to spread knowledge as to the science and practice of dairying by means of travelling dairies, the institution of dairy schools in suitable centres, and lectures given to classes by experts in dairying districts, or at farms.

Elliott,
33,230.

* Wantage, 4758; Fream, 11,986; Pell, 17,897; Read, 16,172; Sheldon, 21,946; Bear, 27,518; Stratton, 34,932; Elliott, 38,235; Biddell, 36,670-2; Eyre, 48,711; Gilchrist, 53,067; Rutherford, 55,059; McConnell, 55,268; Wright, 55,510; Roberts, 55,883; Jones, 58,075; Fisher, 58,400; Norfolk, 60,937; Wilson Fox, Lincolnshire, par. 157; *id.*, Cambridge, par. 7; *id.*, Suffolk, par. 8; Spencer, 46,685.

Elliott,
38,229.

482. In many instances the results of this teaching have been satisfactory, and distinct improvement in manufacture has been obtained, according to several witnesses.* Mr. Elliott, the Secretary of the Board of Agriculture, stated: "All the evidence goes to show that the work which is being done, the stimulus which is being given to sound instruction in dairying, has had an actual practical benefit." A few witnesses,† however, speak of apathy on the part of dairy farmers, and disinclination to take advantage of teaching.

Hall, 42,256.

Gilchrist,
53,063.
Anderson,
45,051.

483. In order to ameliorate the condition of the dairy industry in this kingdom it is necessary to improve the manufacture of the produce, and especially to ensure a supply of uniform quality and appearance, so that it may be able to compete on, at all events, an equal footing with foreign produce. It appears to us requisite to extend the system of co-operative creameries and factories, and further to encourage in every way the diffusion of sound information upon the whole subject of dairying, including the selection of suitable animals, their food and general management, and every detail in connexion with the production of butter and cheese. It is evident that it is most essential that greater attention should be paid to the selection of breeds and of animals adapted for the economical production of milk, both as regards quality and quantity. "It is unfortunately notorious," a witness said, "that the milk of an ordinary farmhouse in England is drawn from cows which, first of all, are not butter cows at all, and, secondly, are neither fed nor bred with an eye to the better quality of the milk." Mr. Gilchrist, speaking of the Ayrshire cows, holds that there is great room for improvement in the yield of milk from this breed, and Mr. Anderson stated that a great deal can be done to improve the character of the Irish cows as butter producers.

484. It is, in our opinion, most desirable that the system of keeping milking records should be more generally adopted, to show dairy farmers the relative value of certain breeds, as well as of individual cows, in their herds. Also that the milk from each cow should be periodically tested to ascertain its value for butter-making purposes.

Hall,
42,193;
42,207;
42,213-23;
44,045-58.

485. The feeding of milch cows is another subject requiring considerable improvement, and especially feeding in the winter months. As a rule dairy cows are fed according to the various ideas of the farmers, or according to the food there may happen to be upon the farm, and not upon definite or scientific principles; and it frequently happens that cows receive a good deal more food than is absolutely necessary, or food that is not calculated for the production of milk rich in butter fat. In Denmark the creamery societies make regulations for the feeding and management of cattle in order to ensure uniformity of quality and the absence of unpleasant flavourings from particular kinds of food, together with a steady supply of milk in winter.

It has been strongly urged that there is great necessity for the most scrupulous cleanliness in connexion with cow-sheds, and all buildings used for cows, and dairies, their fittings, utensils and transport cans. It is clear from evidence before us that in some cases the buildings and the surroundings occupied by cows are in an unclean and insanitary condition, and that insufficient care is taken to keep the dairies perfectly clean. In the co-operative dairies in Denmark cleanliness is enforced by stringent regulations to ensure the supply of sweet pure milk, and to prevent the spread of infectious disease by dairy products.

486. We have entered into this subject in some detail because, notwithstanding the severity of the present competition in the supply of dairy produce for British markets, there seems some hope that in future the home producer may be able to hold and improve his present position. The climate and soil of this country, to say the least of it, are not inferior for dairy purposes to those of Denmark and Sweden, while in this respect Ireland and parts of Great Britain may not unfavourably compare with Normandy and Brittany. The British farmer has naturally a monopoly of the milk market, and in the production of butter and cheese his position would be greatly benefited by improved methods of management, and the adoption of co-operative methods both in the manufacture and distribution of his produce.

* Turner, 11,655; Dobson, 13,131-2; Rolleston, 13,435; Rowlandson, 17,479; Lipscomb, 2637; Lander, 33,354; Bowen Jones, 44,644; Dickie, 52,364; Flockhart, 52,776; Pennant, 57,639; Brown, 62,795.

† Dunstan, 43,630; Wilson Fox, Garstang, par. 53; Wyatt, 10,849; Fisher, 58,574; Davies 58,918.

CHAPTER VII.

Small Holdings.

487. It was the object of the Small Agricultural Holdings Act of 1892 to encourage and facilitate the creation of small holdings. It proposed to effect this through the medium of local authorities, by empowering them to purchase estates, break them up and re-sell or let them for terms of years so as to re-create classes of small owners and occupiers of land; and for this purpose loans were offered by the State at low rates of interest repayable by instalments, and on the security of the local rates.

488. A Return has been obtained by the Board of Agriculture, from which it appears that in eight counties only in England, Scotland, and Wales have any proceedings taken place under the Act, and that 483 acres only have been bought by County Councils and let as small holdings. In 41 other counties applications have been made for small holdings, but for various reasons the County Councils have been unable to give effect to the Act. In 45 other counties there have been no applications. It is to be observed, however, that the Act of 1892 was practically superseded by the provisions contained in the Act of 1894 for creation of parish councils before it had time to come into effectual operation. A.H.C., 407,
sess. 2,
1895.

489. Notwithstanding this, in Lincolnshire 135 acres have been bought by the County Council, and have been let in 56 small holdings. In Worcestershire, 147 acres have been bought, and resold in 32 lots. In West Sussex, 40 acres have been hired and let out in small holdings. In Ross-shire, 83 acres have been sold to 25 persons. The other purchases have been unimportant. In some cases, County Councils have been able to arrange for small holdings between landowners and labourers. In several cases they have been unable to purchase land to meet the demands of petitioners.

We have had evidence before us of cases where landowners have endeavoured to create small holdings, and in some instances with success.

490. An interesting case is reported on by our Assistant-Commissioner, Mr. Rew, from Wiltshire.

Major Poore bought a farm adjoining the village of Winterslow, about six miles from Salisbury, of 195 acres for 1,500*l.*, or at the rate of 8*l.* per acre. Of this, 83 acres were re-sold at a proportional price. The residue of 112 acres was divided into small holdings of various sizes ranging from a quarter of an acre up to 16 acres. The prices of these were fixed by a committee of the villagers, and varied from 8*l.* to 30*l.* per acre, according to the quality of the land and distance from the villages; the average being 15*l.* per acre. At this price there is, or will be, when the purchase money is repaid, a profit of 700*l.* This Major Poore intends to hand over to the body of purchasers for the common benefit of all; nine of the purchasers taking 8 acres paid for their land in full, the others paying for their land by equal annual instalments of capital and interest to spread over 14 years. The purchasers under a memorandum of association form a landowners' court, and collect the interest and instalments and pay them in a lump sum to Major Poore. But the owners, subject to the obligation to repay the purchase money in 14 years, have absolute property in their holdings, and can sell or dispose of them as they think fit, and purchasers are not bound to be members of the court. For convenience of title and to save costs, the land is let on lease at a nominal rent for 2,000 years and is therefore personal property and net freehold. The enterprize began in October 1892, and by July 1894, no fewer than 13 of these small holders had erected houses on their land. The greater number of men who form the community are not engaged in regular work as farm labourers. They work in the neighbouring woods in cutting trees or on other work; at other times they obtain casual work on farms in the neighbourhood. Rew,
Wiltshire,
par. 68-73.
Rew, 62,086,
&c.

491. Mr. Rew has reported on another community of small holders of land at a place called West Wellow, near Salisbury, where about 140 acres of waste heath land were sold 27 years ago in small lots of from 2 to 10 acres on easy terms of repayment. Mr. Rew says that the general aspect of the Colony is flourishing, and that although in some cases hard-working, thrifty, and practical men have no doubt made a living and saved money, it would be erroneous to suppose that all the owners and occupiers of land in this settlement are of this class. He told us in evidence that he thought the same experiment might be carried out in other districts, for he saw nothing exceptional in the conditions which accounted for its being successful at West Wellow. Rew,
Wiltshire,
par. 74.
Rew, 49,070.

492. Mr. W. J. Harris, a landowner in North Devon, also gave evidence in favour of the creation of small holdings, a number of which, from 3 to over 40 acres in extent, he has promoted on his estate. Asked as to what sort of land he found answered Harris, 339*l.*

Id. 3407. best in this sized holding, Mr. Harris said, "they must have a little arable land and a good deal more grass land, so as to keep cows, and just enough winter meat for the cows, and keep pigs as well."

Harris,
3413. In Mr. Harris' opinion the establishment of these small holdings has tended to increase the agricultural population in his district. The scheme, so far, had answered, and "I hope it will continue to answer" Mr. Harris said, "but it is so very dependent upon the labour that we can give the men. They cannot live on these small holdings without they earn wages as well, only in exceptional cases can they. I have been more fortunately placed than most landowners could be, because I have got a railway station close to me, and certain little industries have risen up which have given some of the men extra occupation. They must have wages as well as their own farm work, and that is the point I wanted to bring before the Commission." He was afraid that some of them might have to leave very soon, because the arable farming was being given up, and the land being laid down to grass, and his experience was that arable cultivation and the rural population decrease *pari passu*.

Rew, Devon,
par. 63. 493. Mr. Rew, our Assistant-Commissioner, also visited these holdings, and thus described them in his Report:—

"Generally speaking, they seemed to me to be well managed, and the holders, so far as I gathered, are fairly satisfied with their position. All the holdings are let by Mr. Harris on a yearly tenancy, without any agreement, but with an understanding on both sides that the rent shall not be raised.

"In one instance the holder, a farm labourer, earning 2s. per day, has 2½ acres, for which he pays 2l. per acre, the landlord paying all outgoings. He has a house and good garden, for which he pays 4l. per annum, and a cow run on the adjacent moor, for which he pays 1s. 6d. per week through the summer. His holding is good meadow land, and was at the time of my visit all shut up for hay. He keeps one cow, and rears the calf, either selling it at about six months, or carrying it through the winter, according as prices and supply of keep may indicate the best course.

"His neighbour has three acres, one acre of which was arable, but he has laid this down and intends to leave it in grass. He said, 'It does not pay a working man to have tillage land.' He keeps a cow, and pays 1s. per week for a run on the moor from May to July. His rent for the land is 4l., and for the house 5l. He had worked his acre of tillage on a four-course shift, oats, roots, oats, seeds, hiring a plough at a cost of 8s. per day, including horse and man. He used the straw for litter, and supplemented this with rushes, but he expressed the opinion that straw was necessary to enable stock to be kept profitably, though in his own case he is giving up growing it. He does not rear the calf from his cow, but sells it about a fortnight old. He makes butter, and sells it at from 10d. to 15d. per lb. He gets 2s. per day on an adjacent farm, and also gets some work from Mr. Harris at 2s. 6d. per day.

"A blacksmith occupies 30 acres for which he pays 22l. 10s., his house and forge being rented separately at 12l. 10s. I was informed that the house and forge cost 250l. to erect, so that the rent is a bare 5 per cent. on first outlay. This man evidently takes considerable pride in his holding, and mentioned that he had grown a crop of potatoes which weighed 18 tons to the acre. He has about a third of his holding under the plough, seven acres being in oats. He sells his calves and also sells butter.

"Another well-kept holding was 17 acres in extent rented at 23l. The occupier had recently put up a substantial shed made of railway sleepers, the landlord providing the corrugated iron for the roof. He had just sold nine small pigs for 8l. 10s. He has a good dairy, and sells butter at from 10d. to 16d. per lb.

"On a larger holding of 50 acres, rented at 65l., new buildings had been put up at a cost of about 300l. Here a piece of old plantation land was being gradually cleared and laid down to grass. A piece of barley from this holding sold in the previous year, in the stack, for 9l. per acre."

Rew, Dorset,
para. 75. 494. Still another similar experiment was reported upon by Mr. Rew, which has been made near Dorchester by Sir Robert Pearce Edgcumbe:—

"A farm of 343 acres, situated some four or five miles from Dorchester, was bought by Sir Robert Pearce Edgcumbe in October 1888 for the sum of 5,050l. After making roads and effecting other improvements the total cost amounted to about 6,000l. He began to sell it in small holdings in the following December, and by the following February all were sold. He stated that he could have sold the whole four times over. It was sold in 30 lots ranging from 1½ to 31 acres at prices varying from 7l. to 36l. per acre. About two-thirds of the farm was poor land which was sold at an average of from

12*l.* to 15*l.* per acre, and the remaining third being good land sold at an average of from 20*l.* to 22*l.* per acre. About six acres made as much as 36*l.* per acre. The poor cheap land sold best and quickest. The whole of the law costs were borne by Sir Robert Pearce Edgcumbe, and he gave the purchasers a clean conveyance. The terms were that the purchase money with interest at four and a half per cent. on the balance remaining unpaid should be paid off within ten years in half-yearly instalments, on May 1st and November 1st. Ten per cent. of the purchase money was to be paid down. As a matter of fact many plots were paid for outright, and at the time of my visit only about 600*l.* remained outstanding.

* * * * *

"The question, of course, is how far the experiment, which with much public spirit Sir Robert Pearce Edgcumbe undertook, has succeeded. And first, the fact that the whole of the purchase money, except 600*l.*, had been paid off, is in itself striking. In only two cases, I understood, the purchasers had got into arrears and eventually into difficulties. In one case, a man had 18½ acres, and attempted at once to pay off the instalments, to live solely off the land and to build a house. Naturally, 18½ acres, fresh taken, would not provide all this 'capital expenditure,' so to speak, and a living as well. Practically the same thing accounted for the failure of a purchaser of 30 acres, *i.e.*, the attempt to live solely from the land, and to pay the purchase money at the same time. The moral, indeed, seems to be that the peasant proprietor must either have the money to buy the land outright, or, if he has to find the purchase money from the produce, he must have some other source of income. It should be said that the purchaser of the 30 acres had been an agricultural labourer, so that, presumably, lack of practical knowledge was not accountable for his failure."

After making all allowances for inadequate buildings, indifferent farming, &c., Mr. Rew came to the opinion that these small holdings show every indication that the main object which their projector had in view has been successfully attained, and he saw no reason why the experiment should not be repeated by other landowners in many parts of the country with equal success.

495. Mr. W. H. Hall, of Six-Mile-Bottom, Cambridgeshire, gave us interesting evidence with regard to an experiment in the establishment of small holdings on his estate, and Mr. Wilson Fox in his Report on Cambridgeshire gives full particulars on the subject. Hall,
34,564-83.

"If an illustration is required to prove the inexpediency of creating small holdings, from philanthropic or any other motives, except strictly business ones, and in localities where no real demand is made for them by the class who would be likely to rent them, and on soil not suitable for growing market-garden produce, which is the sheet-anchor of the small holder on arable land, then the experience of Mr. Bullock Hall, of Six-Mile-Bottom, may be of interest He conceived the idea, during the course of the great strike, that the social distinction between the farmer and his labourers was a great reason for the estrangement which had grown up between them, and that, by the creation of a class of farmers, who live much on the same social footing as the labourers, one of the chief causes for the existence of these unhappy differences would be removed No experiment could have been undertaken with higher motives, or supported by more generous expenditure. It has largely failed as a practical experiment. Now these small holders were started with every advantage. They had model buildings, their land well drained and fenced. Holdings of all sizes were created so that men in all positions could take advantage of them. Close to the villages there was land set apart for the blacksmith, the miller, or the small tradesman, of from 5 to 20 acres, and others went up to nearly 100 acres. Men could thus proceed step by step, beginning, perhaps, with an allotment, and then acquiring a larger holding later. And the magnificent offer was made to the labourers by Mr. Hall that he would find them half the necessary capital if they could find the remainder." Wilson Fox,
Rep. Cambs.,
par. 58.

Mr. Hall thus summed up their positions:—

"Half have been moderately successful, a quarter are struggling, and a quarter are absolute failures. And the most successful were not the men in whose welfare this experiment was chiefly made, namely, the labourers, but the village tradesmen on the accommodation land close to the village who had other vocations, and who, probably, did not know, or did not care, whether they were making or losing money by the land, but found it convenient for the purpose of growing vegetables for home consumption, for keeping a cow, and having somewhere to turn out a horse. But even these men have become tired of renting the best land, for when I visited Mr. Hall, in July 1894, two publicans,

a blacksmith, and a miller, had just thrown up their holdings. One of them had rented the land for 20 years, and the others for from 8 to 10 years."

It appears that this experiment, though carried out under some very favourable conditions, can only be regarded as a failure.

Hicks Beach,
6070; 6151.

496. Sir Michael Hicks Beach strongly advocated in his evidence that opportunities should be given to labourers to become purchasers of land upon which they might build and become freeholders. He thought there existed a very great desire on the part of the labouring class for something of the kind. "I am sure," he said, "there are many persons, even in the position of agricultural labourers in the country, who would be glad to purchase land, especially if land could be purchased by way of instalments, as it is now frequently sold by the Ecclesiastical Commissioners, and might be sold by ordinary landowners. I am sure that there are many labourers who would be glad to purchase land in that way if they could obtain a loan for the purpose of erecting a cottage on it at a reasonable rate. I think a great deal might be done to bring the labourers on to the land, so to speak, in the way I have indicated."

Pringle,
Axholme

497. Our Assistant-Commissioner—Mr. Hunter Pringle—prepared a report for us upon the condition of that district of the county of Lincoln known as the Isle of Axholme, and which has long been famed as a great centre of peasant proprietaries and other small holdings. The majority of these holdings are under 20 acres in size, and the report as to the condition of the cultivators is extremely gloomy. The tenants are said to be in a much better position than the owners, most of whom purchased or inherited their land in a period of prosperity, but who now are heavily encumbered with mortgages. The practice appears to have been to buy land, paying down one-tenth of the purchase money, and mortgaging it to the extent of nine-tenths at $4\frac{1}{2}$ to 5 per cent. The mortgagors, therefore, are now paying in interest a great deal more than what would be a fair rent, and Mr. Pringle states that under the present depression, with continually falling prices, 90 per cent. of those who bought their holdings from 15 to 25 years ago have been either sold up or are struggling on in a hopeless condition at the mercy of the mortgagees. Mr. Pringle also quotes the case of two newcomers into the district with capital and holding large areas of land who have made their business pay by market gardening. Their example has been successfully followed by some of the small holders who were in a position to do so.

Pringle,
Axholme,
par. 33-4.

Pringle,
9 146.

Pringle,
Axholme,
par. 73.

Mr. Pringle, in giving evidence before us, urged the desirability of consolidating the holdings, which lie widely scattered, by inclosure and re-allotment. With regard to the mortgages with which the land is so heavily burdened, the following suggestion was made to the Assistant-Commissioner: "That when, owing to the depreciation in the value of land, a property mortgaged to two-thirds of its original price fails to realise its original price, the loss should be shared by both mortgagee and late owner, instead of the mortgagee having a claim for the deficiency upon other property still possessed by the late owner."

Eyre,
48,560-604.

Id. 48,628.

498. An interesting account of the small holders or commoners in the New Forest was given to us by Mr. Briscoe Eyre. The prosperity of the tenants of these small holdings is remarkable. This is attributable to their having practically three livings—1, the land; 2, common rights, such as right of pasture for cows and ponies, fuel, and turbary rights, and rights of pannage; 3, additional small industries, such as hawking, dealing in small goods, or in stock. Mr. Eyre said that the general effect of the rights attached to these small holdings has had quite an extraordinary result. To quote his own words: "It is extraordinary to me; the more I look into it and the more I learn about the state of things in the New Forest, the more astonished I am. The way in which these people work, and the way in which they save, and the way in which they seem to have money whenever they want it for their own purposes is sometimes quite a mystery to me how they do it; I know they do do it." The holdings are said to be highly cultivated, rents averaging about 2*l.* an acre, tithe free.

Rankin,
5542, 5585.

Radcliffe-
Cooke,
46,198.

499. Other instances of the cultivation of small holdings have been given to us in evidence. Thus in Herefordshire Mr. Rankin, M.P., said that they are numerous, and form a substantial feature in the agriculture of the county, many being held by agriculture labourers, though the majority are owned by "job men."

Mr. Radcliffe-Cooke, M.P., thought there is a great opening for the small holders in this country in an extension and improvement of the cider industry.

Mr. Rolleston thought that small holders had succeeded in the cheese-making districts in Leicestershire. Rolleston, 13,668.

Mr. Clarke said that a great number of small holdings exist around Chatteris, in Cambridgeshire, ranging from 50 to 4 acres, where the land is very suitable for root cultivation, and although there is still keen competition for these lots, he feared tenants have recently been losing capital, and if present prices continued he did not think they could pay the present rents and make a profit. Mr. Stratton, in speaking of the small holders of Monmouthshire and Glamorganshire, considered his own labourers more comfortably off than the small farmers. Mr. Latham, farmer in Berkshire, said the few small holdings in his district are miserably cultivated. In certain favoured districts of Cornwall, where fruit and vegetable culture is possible, small holdings are said to prosper. Clarke, 23,355. Id. 23,383. Stratton, 35,132. Latham, 37,813. Holzmann, 5967. Collins, 37,168. Olver, 37,454.

500. Many witnesses were of opinion that small holders only succeed where their occupation is combined with some other trade, and they can do most of the work themselves. Mr. Clare Sewell Read said the only way the small holder in the arable districts can possibly succeed is by doing the work of two labourers and living at the expense of one, and where the occupation of small holdings is combined with some trade, and where there is grass land small holdings have been successful. Evidence to the same effect was given by Mr. Lipscombe, agent for the Savile estates; Mr. Ralston, agent to Lord Strathmore; Mr. Edwards, a farmer in Cheshire; Mr. H. H. Scott, representing the Newcastle Farmers' Club; Mr. Bowen Jones, a tenant farmer in Shropshire; Mr. Gordon, landowner in Aberdeenshire; Mr. Dun, secretary to the Galashiels Farmers' Club; Mr. Drummond, land agent in Carmarthenshire; Mr. Kirby, tenant farmer in Glamorganshire; and Mr. Brown, farmer in Caithness. Road, 16,346-8. Lipscombe, 20,583. Ralston, 24,812. Edwards, 25,156. Scott, 29,998. Bowen Jones, 44,852. Gordon, 52,680-81. Dun, 53,226. Drummond, 60,177, 60,216. Kirby, 60,612. Brown, 62,521.

501. In the opinion of Sir John Bennet Lawes small holdings and allotments can be increased to the benefit of the labourers, but not nationally so as to supersede farming. This country, he said, is not suited to the cultivation of small holdings, occupied by small farmers, such as obtain in France and Belgium; and Colonel Hughes, agent to Sir Watkin Wynn, while thinking small holdings excellent things, where they exist or grow naturally, was opposed to their artificial creation, and had little faith in their development. Lawes, 41,164. Hughes, 50514.

502. We are of opinion that a gradation of holdings from the smallest size upwards is most desirable, and that under suitable conditions as to soil and situation small holders can advantageously occupy land.

The chief obstacle to the development of small holdings on many estates is the necessary expenditure of capital on buildings, and in this connexion we may refer to the evidence of Mr. George Muirhead which shows how large and disproportionate a share of the rent of small holdings and small farms is covered by the interest on the necessary expenditure upon buildings as compared with that on larger holdings. Hall, W. H., 24,577. Muirhead, G., 30,387-9.

We have in our Second Report advocated the policy of Government loans to landlords for improvements, and we have no doubt that in some cases the establishment of small holdings would be much facilitated by the issue of such loans at a low rate of interest, with easy terms as to repayment of principal, prolonged over a more extended period than that to which the existing land companies are restricted. Second Report, par. 49, et seq.

CHAPTER VIII.

Railway Rates.

503. We have received almost universal complaint from landowners and farmers whom we have examined on the subject of railway rates as to the prohibitive and restrictive charges alleged to be made by railway companies for the conveyance of farm produce to market, and all the Assistant-Commissioners report to us that they received complaints under this head.

504. The alleged grounds of complaint appear to be twofold:—

(i.) That the charges exacted by the railway companies locally are in themselves excessive, and bear very heavily and adversely upon farmers, especially where there is no competing route.

(ii.) That the charges for the carriage of British produce are proportionately higher than for the conveyance of foreign produce from the ports of entry to the same markets, and that consequently the competition of foreign produce has been so much intensified as to practically operate as a form of protection to foreign produce. It has also been represented to us that while Parliament has endeavoured by recent legislation to prevent unfair preference being given to foreign produce, it has failed in that object.*

Rew, Rep.
Dorset,
p. 36, s. 94.

505. As regards the first complaint, Mr. Rew, in his report on Dorset, says, "There were many general complaints that railway rates are too high, and the increase made since 1892 was especially resented." The following resolution was passed at a meeting held by him at Wool:—"That no railway company ought to be allowed to charge more to and from any intermediate station than to any further point on the same system, even though that point be in competition with other railways or with water-carriage, and that the short distance rates ought to be reduced."

Rew, Rep. N.
Devon, p. 32,
s. 81.
Rew, Rep. Salis-
bury, p. 36, s. 89.
Rew, Rep. Nor-
folk, p. 71, s. 148.
Collins, 37,246-7.
Oliver, 37,541.

He also mentions similar complaints in his reports on North Devon, Salisbury Plain, and Norfolk.

Speir Rep. Ayr,
p. 17, s. 87-8.
Fox, Rep. Cum-
berland, p. 45,
s. 89, s.
Hope, Rep. Rox-
burgh, p. 30, s. 38.
Huskinson, 1075.
Stratton, 6467.
Bell, 26,317.
Pringle, Rep.
Durham, p. 27,
s. 63.
Fox, Rep. Gar-
stang, p. 29, s. 41.

Mr. Digby Collins, a landowner in Cornwall, considered that the railway rates in Cornwall were perhaps higher than in any other part of England. So severely was it felt, that steamers had been run for the purpose of conveying produce from the small holdings in West Cornwall.

The question of the inequality of rates as regards distance, and especially for the conveyance of quantities under 2 tons, was mentioned to several of the Assistant-Commissioners and also by several witnesses.

Mr. Hunter Pringle, in his report on Durham and Yorkshire, says that complaints of excessive railway rates were made on all sides. Mr. Wilson Fox, in his report on Garstang, mentions as a great complaint that the high railway rates prevented the farmers getting manure from the large towns, where it can be bought comparatively cheap.

Woodward,
44,572.

Mr. Woodward, a market gardener at Evesham, on the subject of the conveyance of small lots of fruit under 2 or 3 cwt., said: "Now we are obliged to send large lots to the salesmen to dispose of in the market, while if we could get a low charge for sending a small quantity we would send it direct to the men who order their own stuff from us. The charge for sending little quantities is so much now that we cannot secure orders from the large hotels in North Wales and places like those where we might compete."

Fox, Rep.
Lincoln,
p. 109,
s. 172.

Mr. Wilson Fox, in his report on Lincoln, gives an instance of the cost of sending cattle by rail supplied to him by Mr. Powell, of the Blankney estate, as follows: "I recently wanted to send 140 cattle from Lincolnshire into Leicestershire (50 miles). The cost by rail would have been 3s. and 4s. a head; so I sent them by road, which cost me 1s. a head."

Wilson Fox,
Suffolk, p. 81.
Rew, Norfolk,
p. 71.
Spencer, Oxford-
shire, p. 38.
Speir, Ayrshire,
&c., p. 17.
See also Hope,
Roxburgh, &c.,
p. 30.

The small men in the fen districts of Suffolk, the Norfolk vegetable growers, and the Gloucestershire fruit growers complain that railway rates "swamp their profits" if they do not cause actual loss.

In the south-west of Scotland Mr. Speir states that the inequalities are so great that farmers are often compelled to cart to more distant stations to avoid the higher rates. He adds: "Consignments, as a rule, to and from farms are small, and seldom over very long distances, but the rates under 2 tons are excessive and handicap farmers very much."

506. We had a great deal of evidence laid before us on the subject of railway rates as affecting the milk trade.

Stratton,
6499.

Mr. Stratton, a tenant farmer at Chilcombe, near Winchester, considered that the railway rates were too high, especially on milk. He pays something like 500l. a year for the carriage of milk. It is sent by passenger train, and is a good service, "but without passenger service the milk trade would stop altogether when it is beyond 30 miles from London; it would be too slow."

Carrington-
Smith,
9696.

Mr. T. Carrington-Smith, chairman of the Staffordshire Chamber of Agriculture, referred to the large increase of railway rates in 1892. "We held in my own neighbourhood antagonistic meetings, and one of the best meetings I ever attended was one held in my own neighbourhood. As a result of the agitation some of the railways went back to what was called the old rate, but as a matter of fact, although the railways claim they have gone back to the old rate for the carriage of milk, they

* Spencer, Oxford, par. 97; Spencer, Herts, par. 73; Fox, Lincoln, par. 172; Fox, Garstang, par. 41; Fox, Glendale, App. A. 7; Middleton, 2612; Smith, 4991; Scott, 30,381.

have increased that rate by $6\frac{1}{4}$ per cent., inasmuch as now they charge per Imperial gallon and not per barn gallon; that is to say, they carry now 16 gallons for the same rate that they previously carried 17."

Mr. George Adams, a tenant farmer at Faringdon, Berkshire, said: "It is the general opinion of the farmers that we are charged too heavily by far for the carriage of milk. It costs close on 30% a year to take one churn of milk a day to London," a distance of 70 miles. "If any one keeps 480 cows they have to keep and milk 40 for the Great Western. I am keeping and milking now 30 for them to pay their rates. Then, again, we have to sign a form that we will not hold them responsible for any milk spilt, knocked down, or not delivered, and that we will not call on them to refund it."

Similar complaints as to the conditions imposed upon carriage of milk by the railway companies were quoted by Mr. Rew in his reports on Salisbury Plain and Norfolk, by Mr. Reynolds, a landlord and tenant farmer in Gloucestershire, and by Mr. Cooke, a Cheshire farmer.

Adams, 41,979.

41,983.
41,974.

Rew Rep. Norfolk, p. 71, s. 146.
Rew, Rep. Salisbury, p. 36, s. 86.
Reynolds, 41,050.
Cooke, 22,250.

507. The following instances of complaints as to the increase in railway rates were given amongst others:—

Mr. Spencer, in his report on Oxfordshire, &c., was informed that "rates have commonly increased and are in some cases practically prohibitive." In his report on Aylesbury and Hertfordshire, he reports as follows:—"A farmer whom I met at St. Alban's complained particularly of the increased rates for the carriage of sheep from the Western counties. This farmer, like many others in the county, is in the habit of buying sheep every year from Somersetshire or Dorsetshire. The carriage from those parts has been raised 6d. a head, from 2s. 3d. to 2s. 9d. As he buys 800 to 1,000 head a year, this is a serious matter to him."

Spencer, Rep. on Oxford, p. 37, s. 97.
Rep. on Herts., p. 28, s. 73.

Mr. Wilson Fox, in his reports on Lincoln and Garstang, records similar grievances, and in his report on Glendale, gives a table showing the increase of the new rates as compared with the old ones, for the conveyance of live stock and of lime on the North-Eastern and North British railways.

Fox, Rep. Lincoln, p. 108, s. 172.
Rep. Garstang, p. 29, s. 41.
Rep. Glendale, App. A. 7.

Mr. Middleton, representative of the Cleveland Chamber of Agriculture, said, that since the passing of the recent Act, there had been generally all round an increase of 5 per cent. He said also, that it was stated in evidence given before the Railway Committee, which he did not think was rebutted, that the 5 per cent. increase had not been put on at the seaports.

Middleton, 2612.

Mr. W. Smith, late M.P., said that rates had increased, and Mr. Scott, representative of the Newcastle Farmers' Club, Alderman on the County Council of Northumberland, said:—"We are now paying at least 5 per cent. more for the carriage of live animals than we were paying before the change, but we expected a reduction."

Smith, 4901.
Scott, 30,381.

508. On the other hand, Mr. Hunter Pringle, in his Essex report, observes: "With regard to railway rates, and the treatment of Essex farmers by the Great Eastern Railway, which owns all the lines in the county, no serious grievances were submitted. On the contrary, it was stated that the Company had made more concessions than other companies, and was both punctual and careful in the discharge of its functions."

Pringle Rep. Essex, p. 71, s. 163-1.

Mr. Looker, a land agent in Huntingdonshire, said, "Some people complain of the railway rates, but I have never heard of any serious complaint on that head It is not in any sense a cause of the depression."

Looker, 41,303 1.

The Rt. Hon. Sir Massey Lopes, a landowner in South Devon, said he thought that the railway rates were satisfactory, and that he had not heard any complaints, and evidence of the same nature was tendered by Mr. Cocks, tenant farmer near Plymouth, Mr. Ralston, agent to Lord Strathmore, Mr. Campbell, farmer in Perthshire, and Mr. Bomford, tenant farmer in Warwickshire, who, on the subject of the conveyance of small quantities under two tons, also said: "It is on the small lots where you get handicapped but I do not think you can expect the companies to take those smaller lots at lower rates." And Mr. Johnson, Vice-Chairman of the West Suffolk County Council, and an owner and occupier, said on the same subject: "I take it that to compel a railway company to carry, or to suggest that a smaller quantity should be carried at the same rate per ton as larger quantities, would be unreasonable. It would not be in the interest of the community at large, because it would probably result in a heavier charge being made for large quantities, and it would be injurious to the large producer certainly, and certainly to the consumer. It would be advocating a means of making transit expensive, and in these days, with home and foreign competition, we certainly ought not to adopt any policy which would make the transit rates, whether for large or small quantities, greater than they are now."

Lopes, 17,132.
Cocks, 2013.
Ralston, 24,898.
Campbell, 54,830.
Bomford, 14,729.
Johnson, 7798.

Fell, 17,736.

509. On the question of the milk trade, Mr. A. Pell, late Assistant Commissioner to the Duke of Richmond's Commission, landowner in the Isle of Ely, and tenant-farmer in Northamptonshire, said:—"I cannot think that the rate for carrying a gallon of milk 74 miles by an express train for 1d. is an excessive rate." He thought that if the railway companies would organise a scheme for delivering the milk, not in small quantities, but in quantities of not less than 20 gallons in the cans to the dairies in London, the farmers would have a better chance.

Sparkes,
21,397.

The Rev. A. L. Sparkes, after mentioning the efforts which he had made to obtain reductions on the Midland, London and North Western, and Great Northern Railways, said: "I do not think the rates for milk are at all excessive now."

510. With regard to any increase of rates made since December 31st, 1892, it must be remembered that Parliament, by the Act of 1894, enacted that if any complaint be made that a rate so increased is unreasonable it shall lie with the railway company to prove that the increase of the rate is reasonable, and for that purpose it shall not be sufficient to show that the rate is within the maximum.

In the cases of the Mansion House Association *v.* London and North-Western Railway Company; Rickett, Smith, & Co. *v.* Midland Railway Company; the Silkstone Coal Company *v.* The Same; and the Grassmoor Company *v.* The Same, before the Railway Commissioners, it was held that it had not been proved by the defendants that the whole of the increase in the rates which had been made was reasonable, and the companies were required to reduce the increased rates accordingly.

511. It appears from the judgment of Mr. Justice Collins that in determining the reasonableness of rates a main element must be the expense to the carrier—"the affluence or indigence of the person rendering or receiving the service is beside the question." The main question, therefore, before the Commission was whether the cost of the services charged for had increased since the date when the rates were originally fixed, and had increased in a measure sufficient to cover the increase in the rates. The onus of proving these points lay upon the railway company, and the result of the litigation proves how largely the powers of the companies to raise rates have been restrained by the Act of 1894.

512. In regard to preferential rates the complaints were very general.

Fruit growers especially complain of the preference given to foreign produce. Dr. Fream, in his report on the Maidstone district, says that this is attributed partly to the action of middlemen. On the other hand, it was pointed out that foreign fruit arrives in large parcels and is thus more easily handled.

Mr. Spencer was informed that fruit was carried to London at a cheaper rate from Calais than from Hitchin.

513. The principal evidence, however, on this head was given by Mr. W. W. Berry, a hop grower in Kent, and a member of the Council and Executive Committees of the Mansion House Association on Railway and Canal Traffic, and a representative of the Central Chamber of Agriculture.

The witness gave many instances of preferential rates existing on the London, Chatham, and Dover Railway.

He stated that if the rate to the British farmer were what it is to the foreigner, the cost of getting the potato crop from Kent to London would be reduced by 2l. an acre, which is equal to the full rent of the land. Similarly for apples, 10s. per ton remains in favour of the foreign crop; and, taking an estimated crop of 5 tons to the acre, the result is 2l. 10s. per acre against the British fruit-grower. These rates, the witness considered excessive, even having regard to the fact that railway companies are entitled to some allowance for the facility in handling foreign goods; such allowance, he said, should be not more than 5 to 15 per cent.

Mr. Berry also handed in a table of similar instances of preferential rates to foreign produce on the part of the South-Eastern Railway Company, via Boulogne and Folkestone.

514. Some of the Scotch witnesses said that Canadian cattle were carried by the railway companies from the Scotch ports to England cheaper than their local cattle.

515. With these exceptions, although several witnesses gave examples of remarkable contrasts between railway rates as compared with rates by water, we had no specific instances of comparison between rates on foreign as compared with British produce.

Fream Rep.
on Maid-
stone, p. 38,
s. 74.Spencer,
Rep. on
Aylesbury
and Hert-
ford, p. 28,
s. 73.Berry,
49,177-82.
49,191.

49,211-2.

49,258-61.

49,266.

Vol. IV.,
Ev., App. A.
V.Fyshe,
54,093.
Ballingall,
54,191.Smith, 9409.
Rolleston, 13,661.
Reynolds, 41,640.
Adams, 41,064.

516. One of the main difficulties urged in getting instances was the inability to separate the amount charged for conveyance by sea from that charged by the railway company, the general term "through rate" comprising both. Forster, 32,382-6.

517. Mr. Berry admits that the English farmer would not be greatly benefited by the raising of the through rates on foreign produce, as it would come more cheaply direct to London by water; but he urges that the companies are carrying foreign produce at some profit, and could therefore reduce the charge on home produce. He agrees that foreign consignments are packed and delivered so as to be more readily handled and compactly loaded. "But," he adds, "I believe that is being made an unfair use of against us. I do not think there is anything like the difference which has been suggested." 49,190.

The demand formulated by Mr. Berry is that one ton ought to be carried at the same rate that the railway company carries two or three tons of foreign goods, that is if we can give them a fair average load; that under no circumstances whatever should foreign produce be carried at a less rate per ton per mile than English produce; that a fair allowance should be made for ease and convenience of handling and loading. 49,258.

Mr. Berry is strongly of opinion that "no redress whatever can be given to agriculturists until the law is so altered as to put English produce on something like all-fours with foreign," and that "it was not the intention that all these differences should be allowed." 49,272.

518. The Mansion House Association v. The London and South Western Railway Company is the only case in which complaint has been made to the Railway Commissioners under the proviso of section 27 of the Traffic Act, 1888, that a railway company had given an undue preference by charging rates for the carriage of foreign merchandise lower than those charged for the carriage of similar home merchandise. A sufficient view of the facts of the case may be given by the following extracts from Sir Frederick Peel's judgment:— Appendix VI.

"The fresh meat imported in ships of the American Line is very large, and the rate per ton per consignment of a minimum of 5 tons, 17s. 6d., including, Mr. Owens said, 5s. for cartage to Smithfield Market. The meat comes, Mr. Owens also said, in quarters, each quarter separately packed in canvas, and gives a particularly good loading. The English meat, on the other hand, is sent loose, or in hampers in small consignments of 4 to 5 cwt., and great care has to be taken in carrying it to keep it fresh and untainted. The rate to London is applicable to quantities of 3 cwt. or upwards, and that a rate for a weight of consignment so small as 3 cwt. should be in marked contrast with a rate for carrying meat in bulk, is no more than one would expect. Most of the English meat is sent from Salisbury, a distance of 84½ miles, and the rate is 36s. 9d. collected and delivered or, deducting 11s. 5d. for collection and delivery and one terminal 25s. 4d., as against a rate of 12s. 6d. for imported meat from the docks (distance 76 miles). The difference in working cost where the traffic is carried in full truck loads, the economy in unloading fresh meat packed in canvas instead of being sent loose or in small hampers, and the shorter distance from Southampton, account for a good deal of the difference of rate. On the other hand, not much can be made in this particular case of trains from the docks starting full, and not stopping to pick up traffic on the way, for I observe that the route from Salisbury for its agricultural produce for the London market is viâ Eastleigh, 22 miles, and that from Eastleigh, 71 miles; a train working in connexion with the Salisbury train, and with other contributing local trains, and having thus a sufficient load, runs through to Nine Elms without stopping, and in the same time as a fast train from the docks. As the case stands, I do not think there has been evidence produced to account for the whole of the difference, and in the absence of such proof the applicants are entitled to an order that home and foreign meat shall be carried on equal terms, subject to due allowances for difference in cost of working. Alton, Basingstoke, and Micheldever are the places from which hay is sent in the largest quantities. The consignments average over three tons. Micheldever, to take that place as an example, is 56¾ miles from London, and the rate, exclusive of labour, 8s. 6d. for a minimum load of 2½ tons to the truck. The company do not unload hay, English or foreign, nor do they load English hay; but foreign hay in the docks is loaded by the shipping companies, or by the railway company as owner of the docks, and therefore, in the case of this article the difference in the rates as to terminals is not quite that of two terminals to one. The consignments in both cases are sufficient to fill separate trucks, but the foreign hay is hydraulic or steam pressed, and can be loaded four tons to a truck to 2½ tons of English hay. There is an extra expense on this account in the carriage of English hay, but services

other than conveyance are similar, and the question is whether the difference in the cost per ton of carrying a truck load of foreign hay in a fast through train of mixed trucks from the docks, and a truck load of English hay in a train also of mixed trucks, keeping the time of an ordinary goods train, would make a rate of 8s. 6d. less one terminal, Class C, for $56\frac{3}{4}$ miles, no higher really than a rate of 5s. for 76 miles. It is against the English hay that it gives a lighter load; but, on the other hand, there is a 20 miles less distance, and I think, on the whole, that as to hay there is a difference of charge in similar services contrary to what the proviso enacts, and that there ought to be an order on this part of the application.

"English hops come chiefly from Alton Station, a distance of 45 miles, in consignments of more than $2\frac{1}{2}$ tons on the average, and the rate is 20s. the ton delivered or 15s. less cartage in London. The rate for hops from the docks is 6s., and if to make the services uniform we add the charge for work in the docks, which for hops is 4s. per ton, the rate is 10s. for 76 miles as against 15s. for 45 miles. The services the railway company render in London are unloading and handing over to the consignee, and they do this work whether the hops are home or foreign. There is a difference in the packing, the bales with foreign hops being square and those with England hops round, and the square bales are, it is said, easier to handle, and give also a better load per truck. $2\frac{1}{2}$ tons of English hops make a full truck load to 3 tons of the foreign article. Mr. Owens did not consider this difference to amount to much, and the condition in the rate book as to the 6s. rate being only for traffic conveyed in full truck loads, has not always been attended to, for in one of the dock trains, of which we have details, there were seven trucks with only 14 tons 14 cwt. of hops in them in all. I come, with regard to the rate to London for hops, to the same conclusion as I have done with regard to hay."

"I think that there is no sufficient case upon the evidence for our interfering with the local rates to London from any of the other 14 stations on the traffic in bacon and hams, butter, cheese, lard, and wool. The total quantity of all that traffic in the period from January 1893 to August 1894 was only 12 tons 4 cwt., and during that same period their tonnage inwards from London of the same articles at the same local rates was more than 2,000 tons. The inference to be drawn from those figures is that the above-mentioned produce of these 14 places goes to supply the local markets, and that London is not within the distance to which it would have been sent even at less rates for carriage."

519. The principles upon which the above decisions were formulated were thus stated by the Commissioners:—

Mr. Justice Collins said: "I am of opinion that if the railway company have proved facts which would justify the admitted differences had the goods in both cases been home goods, the company are not debarred from relying on those facts as an answer merely because the goods which received the benefit of the differences are of foreign origin. But it may be said, what is there for the proviso to operate on? What is there that might have been considered an excuse but for this proviso which is excluded by it? I think I can point to one consideration, at least, which might have been urged, and which is excluded by the proviso, namely, that the goods have already traversed a long distance before they reached the United Kingdom, and are entitled to a lower rate in consequence, treating the portion traversed in the United Kingdom as part of a through route. . . . I think the proviso excludes it because this would be an advantage claimed, or difference justified in respect of something necessarily peculiar to foreign goods, and in which home goods could not participate. It may be that for the like reason the proviso would exclude another matter, viz., the ocean competition to London. It is not, however, necessary to pronounce an opinion upon this, as I have given one instance, at least, which might justify the existence of the proviso, and it is possible that many more might be given."

Sir Frederick Peel said: "The proviso seems to me to require, in reference to home and foreign articles that compete with each other in the market, that in respect of the same or similar services, there shall not only be no difference of rate involving an undue or unreasonable preference, but no difference of any kind. It means, I think, that, given the same or similar services, considerations which in other cases might justify an inequality of rate are here not to be regarded."

Lord Cobham said: "It is intended that in cases where undue preference of foreign goods is alleged, we should take into consideration, as we have always been entitled to do in the case of home goods, the circumstances of the traffic, as regards its quantity, its packing, its regularity, and all other matters affecting its cost to the company, except so far as they may be matters special to the foreign origin of the goods."

"That is the limitation imposed by the proviso, the object of which is, in my opinion, not to give to home traffic a preference over foreign traffic, but to place them in a position of strict equality."

For a full comprehension of the legal bearings of this case the whole of Mr. Justice Collins' judgment should be referred to (*see* Appendix VI. to this Report).

It would appear, therefore, from the foregoing, that the main, if not the only, defence which a railway company can successfully set up for a difference in rates charged upon home and foreign produce is that the higher charge is covered by the higher cost to themselves of the service rendered. This is a matter of fact for the determination of which the Railway Commission exists as the sole and final tribunal.

520. Several witnesses drew our attention to the helplessness of traders. "We have great difficulty in finding whether railway charges are the legal rates or otherwise, or how they compare with others." Mr. Middleton said, "It is quite impossible for a single farmer, or even bodies of farmers, to take any case before the Railway Commissioners at present, we consider there should be some cheap tribunal to which any farmer or any trader who had a grievance or considered he was not fairly treated should be able to go at a very moderate expense."

Kidner, 2812.
See Bear,
27,788-91.
2871.
49,224.
49,226.

Middleton, 2361.

Mr. Berry thinks it difficult to get redress, on the ground that every case has to be fought, which means money, and that is what agriculturists have not got. He admitted that the conciliation clause is useful, but argued that the congested state of business at the Board of Trade means protracted delay, and that the Board can only advise the companies, and has no control.

Berry,
49,230.

521. Thinking, as we do, that the railway companies should have earlier reduced their rates, we are glad, therefore, to learn that since the commencement of our inquiry a most important move has been made by the railway companies in the direction of lowering their freights, and giving greater facilities to farmers for sending their produce to market, especially small consignments.

522. In answer to an inquiry we addressed to the companies, statements have been furnished us by the Great Eastern; Great Northern; Great Western; London and North-Western; London and South-Western; London, Chatham, and Dover; South-Eastern; North-Eastern; London, Brighton, and South Coast, and the Midland Railway Companies.

The Great Eastern in the month of December 1895 put into operation the experiment of conveying under certain conditions by passenger train small consignments of farm produce to London and suburban stations at a reduced charge of 4*d.* for 20 lbs. and 1*d.* additional for every 5 lbs. or part thereof up to 60 lbs., including delivery within the usual limits. The company have also from time to time made reductions in their rates for the conveyance of feeding stuffs and natural and artificial manures for distances over 40 and 65 miles.

The Great Northern Railway also made experimental arrangements from July 1st, 1896, for conveying to consumers by passenger trains small parcels of farm and market garden produce at reduced charges, irrespective of distance, ranging from 6*d.* per package up to 20 lbs. to 1*s.* 2*d.* for 60 lbs. The company publish a list of the names and addresses of farmers, market gardeners, and others desirous of forwarding produce direct to consumers. Particulars have also been furnished to us of reduced rates for the conveyance of fresh meat and dead poultry, and of stable or farmyard manure and refuse for manure.

The Great Western Railway from August 1st, 1896, reduced their scales of rates on previous charges for various descriptions of agricultural produce, comprising fresh meat, dead poultry, eggs, butter, fruit, and vegetables, when forwarded in either separate or mixed consignments of 10 cwt., 1-ton, 2-ton, and 3-ton lots respectively. In the case of mixed consignments each portion of the consignment is charged at the actual weight at the rate applicable to the gross weight of the consignment, so that the public obtain the benefit of the low rate if the minimum quantity is made up by a combination of the various articles. The company also announce reductions in the rates for cider and perry, grain, feeding stuffs, and manures, potatoes, and roots, and in lieu of the varying charges formerly in operation for the conveyance of milk a uniform reduced scale has been adopted, these revised rates to include the service of conveying the returned empty can without additional payment. The company state that the various concessions that have been and are being made will cause a heavy loss of revenue to them unless they are instrumental in leading to a large increase in tonnage carried, and they express the hope that English farmers

and their friends will be able to bring about such a development in the business as will justify the reduced rates.

The South-Western Railway have also reduced their tariff for the conveyance of fruit and vegetables (packed) in consignments of 1 cwt. and upwards, including delivery, as well as for meat, including cartage in London, and for grain, green crops, vegetables, roots, oil-cake, and packed manure, in loads of not less than 6 tons, which may be made up of a combination of any or all of the articles named, between non-competitive stations. A reduced scale of rates for the conveyance of live stock between purely local and non-competitive stations, when sent in quantities of not less than part truck loads, has also been adopted.

The London, Chatham, and Dover Railway have issued reduced rates from all their stations to London markets for fruit and vegetables, also for oilcake, grain (for cattle-feeding), roots, and other feeding stuffs, the reduction being equal to about 15 per cent. For packed manures rates to and from all stations have been reduced by about 15 per cent., when in 6-ton lots and upwards. The company also allow a drawback of 1*d.* upon each pocket of hops sent up from their stations in Kent to London markets.

The South-Eastern Railway made a reduction in November 1895 in their rates for manure in bulk, in 6-ton loads from London to all non-competitive stations outside a radius of 20 miles from London, the minimum charge being 2*s.* 1*d.*, and the maximum, 4*s.* per ton. On the 1st July 1896, further reduced rates were put into force between London and all non-competitive stations, as also stations competitive with the London, Chatham, and Dover Company, the reduction being as follows: fruit and vegetables for London markets, a reduction of 15 per cent.; cattle-feeding stuffs, a reduction of 15 per cent.; packed manures in 6-ton lots, a reduction of 15 per cent.; and the cartage charge for the delivery of hops in London was reduced 25 per cent.

In February 1896, the North-Eastern Company issued an experimental scale of reduced rates for the conveyance between local stations, where no other companies are interested in the traffic at both ends: 1. Of manure in bulk, the charges ranging from 1*s.* per ton for distances up to 10 miles, to 3*s.* 9*d.* per ton for 102 miles; 2. Of grain, roots, potatoes, feeding stuffs, packed manures, the charges ranging from 2*s.* 6*d.* for distances up to 8 miles to 12*s.* 1*d.* up to 206 miles. In both cases the rates only apply to waggon loads of 5 tons and above. Reduced charges have also been adopted for the carriage of part truck, small truck, and medium truck loads of live stock.

On the London, Brighton, and South Coast Railway reductions in the rates for agricultural produce have been in progress since 1881, and the company states that they have now reached a point at which very little, if any, margin remains for further reduction. The reduced rates for the carriage of manure in bulk are from 21 to 29 per cent.; for grain, potatoes, and oil-cake, of 34 per cent., and for roots, since 1893, of from 16 to 23 per cent.

The London and North Western Railway Company, although they have not issued any special scales of rates, state that they have taken very exceptional steps to call the attention of farmers to the fact that the Company are prepared to put into operation low rates for any kind of farm and dairy produce, and, in response to several applications, they have quoted moderate rates which appear to have given satisfaction.

The Company point out that, notwithstanding the efforts they have made for some time past, by sending specially qualified representatives into the various districts for the purpose of bringing personally under the notice of the farmers the advantages to be obtained in the shape of reduced railway charges, comparatively few applications have been received. They express their desire to assist the farmers whenever it can be shown that there is a probability of traffic passing.

The Midland Railway Company state that their rates are being continually reduced upon the application of agriculturists, and that many such applications have been necessarily declined on the ground that existing rates are already exceptionally low.

523. It appears that one explanation of the higher charges for the conveyance of products between intermediate stations than for those of foreign products from the ports of entry is, that the former are consigned in small quantities, inviting more expensive handling, and the uncertainty whether the trucks will be filled or not, while the latter are sent in great bulk, where the cost of handling is reduced to a minimum, and with full trucks. This points to the extreme importance of co-operation and organisation on the part of agriculturists with a view to consigning their produce to market in bulk, and the possibility of coming to special and better terms with the railway companies. The good results of a well-organised arrangement in this direction

is shown in the case of the poultry industry in East Sussex, where the chickens are collected from the small farmers, and are sent to London at a very low charge.

524. We have received complaints as to the high charges made by the Post Office on the carriage of parcels of agricultural produce. The existing charges are maintained in pursuance of an arrangement made in 1883 for a term of 21 years between the Government and the railway companies, but in view of the reduced rates now made by the railway companies for parcels sent by their ordinary trains, we think that a proportionate reduction of the charges by parcel post would be of great general advantage alike to producers and consumers by facilitating the conveyance of small consignments of agricultural produce.

Rew, Rep.
Heathfield,
para. 35.

Rew, Dorset,
§ 93.
Squarey,
7250-7.
Pennant,
55,744-7.
Turnbull,
59,500-4.
Drummond,
64,448-51.

525. In the preceding paragraphs we have endeavoured to summarise the information which has been laid before us upon the important subject of railway rates. But we have found it quite impossible for us to go systematically into the intricate questions involved in it, as has been done by the various Commissions and Committees appointed in recent years for that special purpose. We have therefore examined no railway witnesses, who might have offered explanations or criticisms of the numerous complaints of excessive or preferential rates which have been brought before us. Under these circumstances, and having in view the copious legislation which has engaged so much of the attention of Parliament between 1888 and 1894, we cannot make specific legislative proposals.

526. It must not, however, be supposed that we view the existing position with satisfaction. We think that it is open to doubt whether legislation has given clear expression and effect to the intentions of Parliament, especially as regards preferential rates on foreign produce, and rates which have been increased since December 31st, 1892, and that the present state of the law is confused, ineffective, and requires amendment.

527. We fully agree with the many witnesses who have given evidence upon this subject, that it is one of very great importance to farmers, who while suffering from the fall in the value of their products, have found little or no relief in the rates charged for their conveyance. It is possible that the cost to the railway companies of the services rendered has not diminished of recent years. But it is well known that in fixing rates, railway managers have less regard to the cost of the service than to the value of the article carried. To use their own formula, they charge "what the traffic can bear." But if this be so generally, then as regards agricultural produce which has fallen in value from 30 to 50 per cent., it is at least a *prima facie* grievance if the farmer finds that the rates have not fallen at all and that the charge has become more "than the traffic can bear." The railway companies may of course reply that their margin of profit upon the conveyance of farmers' produce is too narrow to admit of substantial reduction. If this contention is established, the position would be this, that the rates will be as low as the companies can afford to charge, but will be more than the farmers can afford to pay, and the benefits of railway carriage which have contributed so enormously to the prosperity of this country, will be largely denied to agriculture, its greatest industry. The whole question affects national as well as class interests, and is deserving of much more scientific investigation than it has yet received.

528. Some of the companies, as we have shown, are endeavouring in a measure to meet the farmers' complaints by reductions and re-adjustment of rates. We believe it to be in the interests of the railways as well as of the farmers, that a fair trial should be given to the new scale of charges, and that readiness should be shown to grant further reductions whenever there is reason to believe that the reductions already made have been fairly remunerative, and have had the effect of increasing the traffic.

529. Full advantage, however, cannot be taken of the terms offered by the companies, nor can the competition with imported produce be carried on under equal conditions, so long as the bulk of farmers' consignments continue to be relatively insignificant and inefficiently packed. The correction of the latter evil should be within the reach of every farmer, but the first-named difficulty is a more serious one. Co-operation amongst farmers with a view to larger loads and cheaper carriage is much to be desired, but is not easily organised, and probably the object aimed at could not be effectively carried out unless the railway companies themselves give material aid in the collection of farm traffic in rural districts. Such schemes, however, are outside the scope of legislation, and must depend for their realization upon the mutual efforts of both parties, and upon a clearer appreciation of each other's difficulties than perhaps at present exists.

CHAPTER IX.

The Game Laws.

530. The reports of the Assistant-Commissioners contain frequent allusions to the subject of game, and we have received a great deal of evidence besides.

On the whole, the weight of evidence goes to show that the Ground Game Act up to a certain point has proved satisfactory, and has operated to protect the tenants.

Fox, Garstang,
par. 31.
Middleton, 264.
Mercer, 27,423.
Collins, 37,256.
Riddell, 30,427.
Williams, 57,720.
Davies, 60,075.

In some few districts the Act has been described as a "dead letter." It has been more frequently urged, however, that the Act should be amended by the removal of some of the limitations placed on the method of killing hares and rabbits by the tenants. The sub-letting of shooting rights has also been complained of by some witnesses.

531. Other witnesses go further, and suggest that tenants should have the unrestricted right to kill ground game on their farms.

Read, 16,602.

Mr. Clare Sewell Read was in favour of giving tenants further facilities in the killing of ground game.

Rew, North
Devon, par. 54-
55, 56.

Mr. Rew, speaking of North Devon, says that there is a general complaint that the limitations on the tenants' powers to take hares and rabbits under the Ground Game Act render it of little use as a protection against the latter. At South Molton and Barnstaple resolutions were passed that the tenant should have the right to take the ground game on his farm how, when, and where he likes.

Hope, Roxburgh,
par. 40.

Mr. Hope, in his Roxburgh report, says: "It was suggested to me that the restrictions on the tenant's right to kill down rabbits ought to be removed, and that rabbits, being vermin, the farmers ought to be allowed to kill them down in whatever way that can best be accomplished." Further evidence has been given to a similar effect.*

Fox, Rep. Glen-
dale, § 30.

532. Mr. Wilson Fox, on the other hand, says in his report on Glendale: "Speaking generally, the farmers in the district appear to think the Act is beneficial to them, and though there are a few cases where tenants grumble at the number of rabbits which come out of the coverts to feed on their land, there seems to be very little friction indeed throughout the district arising out of the game question."

Pringle, Essex,
par. 167.

Mr. Hunter Pringle, in his report on Essex, says: "This Act was described as a great protection and boon to the tenant."

Fream, Andover,
par. 56.

Dr. Fream says, reporting on the Andover district of Hampshire: "The consensus of opinion is that the Act has, on the whole, worked very well, and it is described as one of the most useful Acts of recent years. One large tenant assured me that, but for the passing of this measure, nothing would have induced him to remain on the land; previously the farm was really in the hands of the gamekeeper; now the position is in effect reversed."

Similar evidence as to the satisfactory working of the Act was received from witnesses and from the Reports of our Assistant-Commissioners in other districts.†

Fox, Rep. Gar-
stang, § 31.
Wilkinson,
31,419.
Rew, Rep. Wilts,
§ 95.
Kay, 14,087.
Cooke, 22,167.
Davies, 60,070.
Griffith, 60,809.

533. Mr. Wilson Fox, in his Garstang report, says: "A great many complaints were made by farmers as to the number of hares and rabbits kept on certain properties . . .

. . . Farmers are generally very fair in dealing with this question. All they ask is that a reasonable amount of hares and rabbits should be kept." Plenty of witnesses told him that if tenants killed hares or rabbits on certain properties they would get notice to quit their farms; but no specific instances were brought to his notice.

Fox, Rep.
Suffolk, § 96;
Rep. Glendale,
§ 50;
Rep. Lincoln,
§ 136.
Pringle, Rep.
Essex, § 167.
Collins, 37,256.
Wilkinson, 31,405.

Speaking of Suffolk, Mr. Wilson Fox observes:—"Although tenants generally consider that the Ground Game Act has done good, it is somewhat remarkable that in some districts its effect has been to increase the number of rabbits. This would seem to show that farmers in some cases do not object to having them on their farms as long as there is some profit or sport to be got out of them. It seems to be generally the case that hares have considerably decreased in number since the Ground Game Act."

Ingram, 3838.
Biddell, 39,445.
Johnson, 7828.

Mr. W. F. Ingram, a land agent, and representative of the East Sussex Farmers' Club, is of opinion that tenants would not appreciate a change of the law which would give them the right to kill ground game as they please, because they have practically got it.

* Cocks, 2001; Kidner, 2923; Turner, 11,519; Dobson, 13,215; Forster, 22,375-7; Olver, 37,720; Speir, 46,812; Rew, 48,971; Black, 51,760; Stuart, 51,967; Jenkins, 56,962-64; Williams, 57,721.

† Rew, Norfolk, par. 113; Spencer, Herts, par. 80; Do., Oxford, par. 107; Ingram, 3834-39; Wyatt, 10,902; Sparkes, 21,392; Ferguson, 22,959; Stuart, 51,967a; Dickie, 52,407; Flockhart, 52,927; Pennant, 57,552; Fisher, 58,461; Drummond, 60,314-15; Powell, 61,908.

Mr. Punchard, agent for the Underley estate in Westmoreland, said that not one in 20 of his tenants availed themselves of the Ground Game Act, yet he has a fair head of game. He compensates for damage if notice is given while it is being done.

Watson, 2176.

534. There have been many complaints of the evils arising from the separate letting of shooting rights.

Mr. Wilson Fox, referring to this subject in his report on Lancashire, says: "There is one system which all farmers strongly condemn, and that is the sub-letting of shooting. Men who will welcome the presence of the landowners, even if game does do some damage, look upon a shooting tenant in a very different light."

Fox, Lincoln, Rep., § 136.
Suffolk Rep., § 85.
Dorset Rep., Pringle, Essex, Rep. § 167.
Hughes, 50,531.
Jones, 58,190.
Fox, Garstan Rep.,

Mr. Rew, in his report on North Devon, says: "Shooting tenants and their keepers tend everywhere to create great friction, and probably they are even more disposed to be arbitrary with comparatively small farmers, such as those in Devonshire, than with the larger farmers in other counties." And in his report on Dorset, "The disturbing element is the shooting tenant."

Rew, Rep. N. Devon, § 56.

Mr. Middleton, representative of the Cleveland Chamber of Agriculture, said: "I know cases where damage has been done by rabbits. I have a case in my mind where a man had to leave his farm entirely on that account. The game was let to a shooting tenant; that was how it arose. The man was a very good tenant, and he had to leave his farm on account of the damage done by rabbits."

Middleton, 2650.

535. Some witnesses expressed the opinion that landlords ought to give the tenants the option of the shooting at fair sporting rent, before letting to a third party.

Kidner, 2790.
Pringle, 5796.
Rew, 48,962.
Williams, 57,729.
Jenkins, 57,962.
Jones, 58,190.
Worthington, 12,603.

Mr. Worthington, secretary of the Wigan Tenant Farmers' Association, considers that all sporting rights should be transferred from the owner to the tenant.

536. On the other hand, Mr. Rew in his report on Norfolk says: "Norfolk being a famous game preserving county, it might have been anticipated that the question of game would have been among those most frequently discussed. I did not find it to be so. On the contrary, it seemed to be generally believed that the game was, on the whole, a blessing to the county, as bringing into it a number of wealthy men who, for the sake of the shooting, take over a considerable amount of land which otherwise would be practically abandoned. One witness observed rather epigrammatically that 'the partridge had been the salvation of Norfolk farming.' Without accepting the statement in the literal sense, it indicates a view expressed by many persons whom I met, viz., that a large extent of the light lands were, so to speak, subsidised in the interests of sport by shooting tenants, who hire large estates for the sake of the sporting rights, and without any expectation of obtaining an adequate agricultural rent. Instances in which the rent of a shooting exceeded the agricultural rent were not uncommon. Probably it is true to say that a good deal of land is being kept under the plough as much in the interest of the partridge as in that of the landlord or tenant. But although the shooting tenant has admittedly been a boon to Norfolk by bringing in these times a certain amount of money on to the land, he is not invariably welcome to the farmer, though I am bound to add that cases of actual friction seem to be rare. Over a very large part of the land the tenants themselves have the sporting rights." "One or two witnesses who were not in this position urged that every tenant should have the first offer of the shooting whenever it is let."

Rew, Rep. on Norfolk.

537. Mr. Rew instances a case in which a farmer suffered damage which he estimated at 200*l.*, but for which he claimed 100*l.* A valuer having been called in supported the claim of 100*l.*, the landlord refused to pay, and the tenant threw up his farm.

Wilts, § 96.
Spencer, Rep. Herts., § 80.
Hope, Roxburgh, § 46.
§ 90, Wilts Rep.

Dr. Fream gives the following case in his Andover report:—"Where two properties adjoin, the tenant under one landlord has suffered from the ground game harboured in the preserves of the other landlord. To protect him his own landlord has lately spent upwards of 50*l.* in putting up wire around the adjoining landowner's coverts." Mr. Speir said he heard many complaints in South-West Scotland as to pheasants, but principally on arable land adjoining plantations.

Fream, Rep. Andover, § 57.
11,943.

Mr. Owen Williams, a tenant farmer in Denbighshire, gave an instance of damage done by pheasants in clover, but though he thought that the ground game should be the property of the tenant, he would not apply the same principle to winged game.

Speir, 46,814.

Williams, 57,724.
57,728.

At a meeting which Dr. Fream attended in Kent a speaker advocated an alteration of the Act to the extent of permitting tenants, not only to shoot both ground game and winged game upon the occupied land, but also of enabling them to enter coverts for this purpose.

Fream, Rep. Kent, § 47.

Birkbeck v. Paget, 51 Beavan, 408.

Boulston's Case, 5 Coke's Rep. 1046.

538. Apart from questions relating to the franchises of chase, park, and warren, there have been few decisions as to the rights of a tenant where the shooting is reserved by the landlord or let separately to a shooting tenant. It seems clear, however, that neither the landlord nor the lessee of an exclusive right of sporting would be justified in turning out upon the farmers' land game not bred there in the ordinary way or in breeding thereon an unreasonable quantity of game. It is true that by an early decision it was held that no action lay against a man for damage done by rabbits increasing on his land and passing over to other lands where they destroyed the crops and this, even where he had made "burrows" for facilitating their increase, "for so soon as the coney come on his neighbour's land he may kill them, for they are *feræ naturæ*, and he who makes the coney burrows has no property in them, and he shall not be punished for the damage which the coney do in which he has no property, and which the other may lawfully kill."

Hilton v. Greene, 2, Foster and Finlason, 821.

Farrer v. Nelson, 15 Q.B.D. 258.

539. The tenant of a farm is entitled to sue his landlord for damages for the injury to his crops caused by rabbits imported and turned out on the tenant's lands or by reason of any increase in the stock of rabbits owing to such importation.

540. It has also been decided that where land is let to a tenant, reserving the right of shooting over the land, the tenant may maintain an action against the persons entitled to the right of shooting for over-stocking the land with game so as to cause damage to the tenant's crops.

Farrer v. Nelson, 15 Q.B.D. 258.

541. In a case to which our attention has been called, Baron Pollock made the following statement: "I will first deal with the question whether an action can be brought by a neighbour against any person who collects animals upon his land so as to injure the crops of the neighbour, and I should say that beyond doubt such an action would lie, and that the rule upon which it would be founded would be, not so much negligence, as upon an infraction of the rule, '*sic utere tuo ut alienum non lædas*.'" We quote these words in order to express our concurrence in their spirit.

542. We apprehend that occupiers endeavouring to enforce any of these remedies find the procedure expensive and complicated, and we are not surprised that cases where compensation has been obtained for damage done by excessive stocks of game, are exceedingly rare.

The Ground Game Act has mitigated the farmer's grievance, but we think that in all cases of injury done by game his claim to compensation should be clearly recognised and made enforceable by means as simple and inexpensive as the nature of the case permits.

543. We have had evidence from Scotland that damage is frequently done by rabbits, preserved upon unenclosed land, both to sheep farmers occupying those lands and to farmers of adjoining lands, and it has been proposed that the period at which the occupier may enter for the purpose of killing rabbits should begin earlier than December 11, as now provided.

CHAPTER X.

Commercial Gambling.

544. We have examined Mr. C. W. Smith and a few other witnesses with regard to the system of speculative dealing in some kinds of agricultural produce, especially wheat, which is now practised in New York, Liverpool, and other commercial centres, and which is alleged to conduce to agricultural depression by steadily and largely reducing prices below the level at which they would otherwise stand.

Smith, 15,588.

545. The following is a short summary of the evidence thus given:—

Mr. Charles W. Smith, who was for many years a produce broker in Liverpool, described the system as "the forestalling of crops before they are grown; the sale for future delivery of produce which the sellers do not possess, and do not intend to deliver; an enormous amount of re-selling without the transfer of commodities, resulting in rampant speculation; a method of hedging on behalf of importers conducted after the professional betting man's plan of bookmaking; the multiplying of crops on paper 40 or 50 times larger than the actual crops grown by farmers; and the establishment of clearing houses in which a daily or weekly settlement of sums

due on variations in prices is effected." The system, he added, was introduced in its American form, into the Liverpool Corn Exchange in 1883, but was not extensively in operation with a regular settlement till 1889. Smith, 15,576, 15,882.

Mr. Smith explained that although under the rules of produce exchanges in the United States and this country, the delivery of produce named in an option must be contemplated, and the buyer can claim delivery if he pleases, it hardly ever takes place. As a rule, the seller has no produce at the back of his contract, and has not any intention of delivering any; while the buyer knowing this perfectly well has no intention of demanding delivery. The settlement, as intended, is purely one of the payment of price differences, either daily or weekly, under the clearing-house system, according to the variety of the produce nominally dealt in during the course of the time bargain, and finally at its determination. Smith, 15,612-20. Bear, 27,684. Smith, 15,591-15,620.

546. This view of the case was supported by Mr. W. E. Bear, a witness who appears to have given a great deal of attention to the subject, and who described the transaction in question as precisely equivalent to a bet upon the future price of wheat.

Both the witnesses just named are of opinion that the option system has an effect in lowering the prices of the commodities to which it is extensively applied, especially wheat and cotton. Smith, 15,588. Bear, 27,547-51, 27,656 27,702.

547. Mr. Seth Taylor, one of the most extensive buyers of wheat in England, also repeatedly stated that, in his opinion, the general tendency of the system was to produce a fall in prices. Mr. Smith attributed the entire fall in the price of wheat that has occurred since the system came into general operation in America, and was extended to England and certain countries in continental Europe, to that system. Neither of the other two witnesses just named went so far as this. Mr. Bear held that market-gambling had to some extent depressed prices; though he, as well as Mr. Taylor, said that it was impossible to tell the extent to which the fall was attributable to this cause. Taylor, 49,996-50,001, 50,015-21. Bear, 27,701-2. Taylor, 50,078.

548. On the other hand, Mr. W. J. Harris, a member of one of the largest firms engaged in the foreign wheat trade, contended that the option system had no effect upon prices, unless farmers, by selling forward against their crops, would gain something by so doing. Other witnesses examined upon the subject supported generally the view taken by Mr. Smith and Mr. Bear, and two of them said that this opinion was spreading rapidly among English farmers. Harris, 5021. Long, 25,544. Dewar, 31,742. 31,885. Riey, 36,584. Adams, 41,985. Jones, 53,072. Drummond, 60,404.

549. It was further alleged that American farmers generally were of the same opinion, and that all their great organisations had supported the anti-option Bills which have been introduced in Congress. Smith, 15,686. Bear, 27,825.

550. It has also been stated that the great majority of grain merchants on Mark Lane are entirely opposed to the option system, and that very few of them have anything to do with it; the operation of the system, so far as grain is concerned, being confined to the Baltic cargo market. Bear, 27,552.

551. In Germany a Bill totally prohibiting options in grain was passed in May 1896, and came into operation on the 1st of January of this year. In other countries legislation of a similar character has been attempted or is projected; but at present Germany is the only country in which anything material has been done by law to check the option system. The result of any legislation that may be carried into effect upon this subject will no doubt be carefully watched by the proper authorities in this country.

552. The only witness, it will have been observed, who even alleged that the fall of agricultural prices was largely due to this speculative dealing was Mr. C. W. Smith. The other expert witnesses who were examined, especially Mr. Bear and Mr. Taylor, carefully guarded themselves against assigning more than a portion of the fall in recent years to this cause, and Mr. Taylor in particular guarded himself against being thought to say that more than a small part of the fall was due to it.

553. We felt bound to listen to some witnesses whose views have found a certain amount of acceptance, not only in the agricultural community in this country, but apparently in very important quarters in Germany and the United States, where legislation against speculative dealing has been attempted and (in Germany at least) carried. After considering the *prima facie* case presented to us, however, we did not think it desirable to pursue the investigation further, as the evidence did not produce on our minds the impression that this commercial gambling really produces the alleged effect on prices or seriously contributes to agricultural depression.

554. We must not be supposed to approve of the system of gambling in produce in itself, or to deny that, like other forms of gambling when carried to excess, it produces great mischief. But how far gambling in its various forms is a cause of social mischief and a proper subject for repressive legislation were not subjects before us. We are only concerned here with agricultural depression, between which and speculative dealing in wheat "futures" we can discern no practical connexion.

CHAPTER XI.

1. Sale of Adulterated Products.

2. Sale of Imported Goods as Home Produce.

556. We class these subjects together, they having recently been inquired into by Parliamentary or Departmental Committees, who have, of course, investigated them more thoroughly than it was in our power to do.

We give abstracts of the evidence we have received on these subjects as showing the interest taken by agriculturists in them.

557. We desire to express our general approval of the recommendations of the Food Products Adulteration Committee, so far as they relate to agricultural products, especially that recommendation to prohibit the artificial colouring of margarine to imitate butter, and we consider the subject of sufficient importance to require the immediate attention of Parliament.

In view of the very widespread demand on the part of agriculturists for some identification of foreign meat sold in this country, we are of opinion that the first two recommendations of the Lords Committee should be carried into effect by legislation.

The third recommendation of the Committee has already been carried out.

1. SALE OF ADULTERATED PRODUCTS.

Select Committee,
Marking of
Foreign
Meat, July
1893,
page xviii.

Wilson Fox,
Lancashire,
par. 40.

Wilson Fox,
Northumberland,
par. 33.

Wilson Fox,
Lincolnshire,
par. 160.

Wilson-Fox,
Reports on
Suffolk,
par. 122.
Cambridge,
par. 82.

Cumberland,
par. 69.

Rew,
Salisbury
Plain,
par. 96.

Rew,
Norfolk,
par. 150.

Pringle,
Essex,
par. 160.

Pringle,
Yorkshire,
par. 78.

Fream,
Maidstone,
par. 75.

558. Mr. Wilson Fox says that in Lancashire unanimity of opinion prevails that the Margarine Act has not stopped margarine being sold as butter, and it is suggested that margarine should be sold in its natural colour. The question was regarded as a very important one. In Northumberland it was suggested that if beer is brewed from any ingredients, except malt and hops, it should be so labelled.

The Assistant-Commissioner also reports that the failure of the Stonefield Dairy in Lincolnshire is attributed entirely to adulteration of foreign and English butter; this, it is considered, goes on to a considerable extent, and it was estimated that if stopped, butter-making would be profitable, and double the number of cows would be kept in England. Mr. Wilson Fox quotes from an English newspaper an advertisement of rolls of butterine, which was considered to be intended simply for butter-makers to mix with their butter. In Suffolk, Cambridgeshire, and Cumberland, it was suggested for the benefit of agriculturists that stringent measures should be taken to prevent the adulteration of agricultural produce.

Mr. Rew reports that in the Salisbury Plain District of Wiltshire, witnesses proposed that both brewers and sellers of beer should be compelled to declare the constituents of the beer manufactured and sold by them.

In Norfolk, it was urged that the law against adulteration of food, especially of milk, should be more vigorously administered. Complaints were made that the fines imposed on vendors convicted of adulterating milk are so small as to prove no deterrent, an instance being given of one person repeatedly fined 40s. It was thought that at least for repeated offences the amount should be increased.

Mr. Pringle reports a general feeling in Essex that Government supervision should be brought to bear upon the question of adulteration of all articles, since farmers have not the necessary scientific knowledge to cope with unscrupulous manufacturers, and the very existence of Government supervision would have a salutary effect, and secure to the farmers a fair article.

It was the opinion of Yorkshire farmers, Mr. Pringle says, that beer made from anything but pure malt and hops should be considered an impure article, and marked as such.

Dr. Fream reports that hop-growers are in favour of a Bill for the better securing the purity of beer.

Mr. Middleton, representing the Cleveland Chamber of Agriculture, said that the Margarine Act should be strengthened and more strictly enforced, one provision being that margarine should not be coloured so as to resemble butter. Middleton, 2444, 2694.

Mr. Squarey, land agent; Mr. Oliver Johnson, representing the Ixworth Farmers' Club; and Mr. Kidner, a tenant farmer in Somerset, urged that beer brewed from other substances than malt and hops should be declared by the brewer and retail seller. Squarey, 7265. Johnson, 7937.

Mr. Ingram, representing the Sussex Farmers' Club, advocated the prevention of adulteration and fraud, particularly in dairy produce, feeding stuffs, and artificial manures. He thought a system of cheap analysis would be a great benefit. Kidner, 2814. Ingram, 3622.

Mr. Carrington-Smith, Chairman of the Staffordshire Chamber of Agriculture, would have the same principle applied to adulteration as has been already applied to contagious disease, and would check the importation of agricultural products at the ports by analytical examination, and in addition, he would have a uniform system of action all over the country, so that by means of the local authority and the Government, there shall be certain fixed standards of purity. Mr. Carrington-Smith quoted the stipendiary magistrate in Manchester, who, in deciding a case of butter coming from Ireland adulterated by water, asked that the Government should fix the standard of butter. He also said that the county analyst in Staffordshire had asked for a fixed standard in milk. Mr. Harold Faber, the Chief Commissioner of the Danish Government, had also expressed himself in accord with the county analyst of Staffordshire, and all the inspectors agreed that they cannot carry out the Food and Drugs Act unless inspection is enforced at the ports of entry, and the local authorities do their duty in the boroughs. Smith, 8098.

Mr. William Lipscomb complained that the Adulteration Acts are made very little use of by urban authorities, and thought that the Government should have authority to see by constant inspection, that the Acts are enforced. He quoted an instance where the County Council in Yorkshire had taken action successfully against a wholesale dealer in Liverpool, who pleaded guilty to the admixture of Chicago lard and to introducing it as English. Lipscomb, 20,677, 20,863, 20,881.

Mr. Edwards, a Cheshire farmer, complained of the adulteration of cheese with animal fat and cotton seed oil; he thought it was done more in America than in this country, and urged that it should be marked. Edwards, 25,146, 25,173, 25,235.

Professor Long urged that the adulteration of milk and the admixture of margarine with butter should be prevented, and suggested a standard, defining pure new milk as milk containing 12.25 of solids and 3.25 of fat. These standards would, he recognised, be objected to, but those in New York and Boston are much higher, and are maintained with the greatest ease. Mr. Long also suggested that beer made from sugar should be called by another name, and be taxed. Long, 25,541.

He also brought under our notice the existence of the seed control station at Zurich, where a large proportion of the seeds sent for examination come from merchants in this country, because there is no place in England for the purpose. The cost of such a station, he maintained, would be more than met by the fees, and he suggested it, not as an alternative, but as an addition to the Adulteration of Seeds Act. The Act had not, he thought, had any very great effect in checking fraud in mixing dead seeds in with live seeds. 25,557. 25,622.

Mr. Elliott, Secretary to the Board of Agriculture, could give us no information as to the working of the Seeds Adulteration Act, the Board having no functions to perform under it. No representations had been received from agriculturists that the Act should be supplemented. Elliott, 38,143.

Mr. Digby Collins, a Cornish landowner, said there was a very strong feeling among the tenants that the Adulterated Foods Act is more a dead letter than it ought to be, and that where possible all products ought to be marked; it is felt in Cornwall that ingredients are used for the manufacture of beer, which operate prejudicially to the interests of barley growers, and that barrels containing the beer should be marked; they also urge the same very strongly with regard to dairy products. Collins, 37,242.

Major Craigie thought the system of paying for milk according to its fat contents has in Denmark been undoubtedly beneficial in the prevention of adulteration. Craigie, 39,994.

Mr. Anderson, Organising Secretary to the Irish Agricultural Organisation Society, said that paying for milk according to its quality had stopped adulteration. Anderson, 45,006, 45,020.

Mr. Radcliffe-Cooke, M.P., speaking of cider, considered that if the provisions of the Food and Drugs Act were carried out according to the spirit of the Act, there might be sufficient protection against adulteration. He desired to prevent the adulteration of cider, which was carried on by blending English with American cider, and selling it as English. Radcliffe-Cooke, 46,279.

2. SALE OF IMPORTED GOODS AS HOME PRODUCE.

559. Several witnesses have suggested to us that measures should be taken to prevent the sale of all foreign agricultural produce as being of home production. It is, widely believed that misrepresentation on the part of vendors prevails to a considerable extent, and a very general desire exists amongst agriculturists both in their own interests and also in that of the consumers that, if possible, something should be done to secure honest trading.

By far the greater part of the evidence under this head relates to the sale of foreign meat, and frequent complaints have been made to us and to the Assistant-Commissioners that the agricultural interests are seriously injured by misrepresentation as to the country where meat is produced.

Ingram, 3622, 3692. Mr. Ingram, representing the East Sussex Farmers' Club, was of opinion that foreign meat should be labelled and sold as such, the sale of foreign meat having hit the farmers very hard indeed. Mr. Squarey, land agent, had no objection to foreign produce coming in so long as it is sold for what it is. He thought heavy penalties should be put upon those who sold New Zealand mutton as Southdown or Scotch mutton.

Johnson, 7766, 7833, 7936. Mr. Johnson, representing the Ixworth Farmers' Club, held that the marking of foreign meat would be a great advantage to the English farmer, and he saw no difficulty in branding every joint.

Worthington, 12,726, 12,901. Mr. Worthington said that the Wigan Tenant Farmers' Association, which he represented, was in favour of all foreign meat being marked and sold as such, that in Wigan the shops selling foreign food were specially marked, but that they had a larger sale than those where home-grown meat is sold.

Kay, 14,121, 14,213. Mr. Kay, on behalf of the Federation of Lancashire Farmers' Association, expressed a strong feeling with regard to the labelling of foreign meat, and asked that a very small licence should be imposed on those engaged in the trade so as to enable the excise authorities to trace them.

Lopes, 17,085. Sir Massey Lopes said that this question affected his district (Devonshire) very much, where there is a large importation of foreign meat, and he thought it only fair that it should be labelled or sold under a licence. This he would also apply to all other foreign products.

Lander, 33,616. Latham, 37,837. Edwards, 25,332. Dewar, 31,788. Olver, 37,538. Other witnesses who advocated the marking of foreign meat were Mr. Lander, representing the Shropshire Chamber of Agriculture; Mr. Latham, tenant-farmer in Berkshire; Mr. Edwards, tenant-farmer in Cheshire; Mr. Dewar, tenant-farmer in Norfolk, and Mr. Olver, tenant-farmer in Cornwall.

Rankin, 5563, 5620. Mr. Rankin, M.P. for Herefordshire, thought the Merchandise Marks Act might possibly be extended to foreign meat. He did not himself attach much importance to the recommendation, indeed he expressed doubts whether it was a remedy of much value, for he had heard that if the distinction were known to consumers, and they found foreign meat was as good as the English, the price of the latter might decline.

Several witnesses recognised the difficulty in marking foreign meat, and advocated instead the licensing and ticketing of shops where it is sold.

Mr. Wilson-Fox, in his reports on the Garstang district of Lancashire and the Glendale district of Northumberland, told us that a very general desire exists amongst both landlords and tenants that all foreign meat should be marked and sold as such, and some also advocated that those who sold foreign meat should be compelled to take out a license to do so. He also reports the same from Lincolnshire, Suffolk, Cambridgeshire, and Cumberland.

Mr. Rew reports from Dorset and Wiltshire that several witnesses suggested that measures should be taken to prevent the sale of foreign meat as English, some indicating the extent to which this practice exists, and the reduced price of English meat which is believed to result therefrom. Some witnesses in Norfolk also advocated marking foreign meat.

Mr. Pringle says that in Essex the opinion prevails that owing to the large quantities of American beef sold as English the home-grown article is depreciated in price, and it was urged that not meat only but all agricultural produce of foreign origin should be described as such when offered for sale.

In Yorkshire Mr. Pringle reports that the farmers say the sale of foreign meat as English is doing distinct damage to the British feeder, and it is calculated that if put a stop to the price of the home meat would rise at least 1s. a stone. Much foreign meat is apparently sold in the Yorkshire towns, coming from Liverpool,

and the farmers believed that inspectors, aided by the constabulary and local authorities, could easily detect and bring offenders to justice.

Mr. Spencer, in his Oxfordshire and Berkshire Report, says a widespread feeling exists that all foreign-produced articles, such as meat, cheese, butter, and fruit, should be clearly marked to distinguish them from English, the fraudulent sale of foreign meat particularly affecting the price of home-grown mutton. If marking is not feasible it is suggested that butchers should announce the fact that they sell foreign meat. At Bristol Mr. Spencer was informed that in winter butter is fraudulently dealt in to the disadvantage of the English producer and consumer, Lombardy butter being churned up and sold as "English Farmhouse" or "Finest Devonshire." This practice is said to have reduced the price of genuine butter by 8d. a pound since 1883.

Mr. James Hope reported to us from Scotland that the sale of foreign meat as home-produced was prominently brought before him, especially in the north, where high-class stock are reared and fed for the London market, foreign meat often being sold for the "Best Scotch." The remedy universally suggested to him was that a licence should be compulsorily taken out, and that a notice should be prominently exposed in the shops to the effect that foreign meat was sold.

The majority of the witnesses we examined in Scotland also urged that licenses should be taken out for the sale of foreign meat.

Mr. Speir reports that in the counties of Wigtown, Kirkcudbright, and Dumfries many seemed to think that by branding and licensing, with special inspectors to look after these matters, frauds might be reduced to very small limits. Few, however, were sanguine that this method could be successfully worked, and thought the cost of preventing fraud would be greater than the circumstances warrant.

Spencer, Oxford, para. 99.

Hope, Roxburgh, etc., para. 35.

Hope, Perth, etc., para. 12.

Ferguson, 23,044.
Stuart, 51,044.
Fyshe, 53,931.
Mitchell, 54,252.
Smith, 54,431.
Campbell, 54,976.

Speir, Rees, on Ayr, Wigtown, etc., para. 84.

CHAPTER XII.

Sale of Cattle by Live-weight.

560. By the Markets and Fairs (Weighing of Cattle) Act, 1887, it was made compulsory that all markets where tolls are taken should be furnished with a weighing machine unless exempted as in the same Act and in the Markets and Fairs (Weighing of Cattle) Act, 1891, mentioned, but it does not appear that farmers have taken much advantage of these provisions. Mr. Clare Sewell Read said, "The Weighbridges Act is a most excellent Act, and that is another illustration of what you might try to do for the farmer, but he will not avail himself of it. I think that at Norwich there have been 20,000 cattle exhibited, and I do not think above 50 of them have been weighed." Asked as to why farmers did not care about the weighing machine, he said, "I think they dislike anything that first of all impugns their judgment, and, in the next place, that causes them trouble." The majority of witnesses before us who gave evidence upon this subject recognised the advantage that would result if cattle were sold by live-weight. Mr. Huskinson, land agent and farmer in Nottinghamshire, said he thought farmers were wrong in not using the weighing machines, because the judgment of the butcher who is constantly in the market will always be better than that of the farmer who is only occasionally in the market. Mr. John Clay, junior, who is largely engaged in selling cattle in Chicago, and can therefore speak from a large experience, also gave similar evidence.

Read, 16,131.
Middleton, 2,427.
Wilson Fox, 9140.
Broughton, 15,422.
Lander, 33,484.
Fyshe, 53,918.
McCernell, 55,272.
Davies, 58,963.

Huskinson, 973.

Clay, 8250.

561. Mr. Westley Richards, who was largely instrumental in getting the Act of 1887 passed, is strongly in favour of weighing both store and fat cattle. He told us that he weighed his cattle regularly and registered their increase every 28 days, and directly they stopped gaining he sold them. This witness gave us some illustrations of the error that farmers fall into when selling their cattle.

Richards, 33,789-97.

Richards, 33,842.

562. Remarking upon the machines used in markets and which only record in hundredweights and quarters, Mr. Westley Richards thought the Board of Trade should refuse a certificate to such a machine, and that new machines weighing to 1 lb. with the customary allowance should be insisted upon.

Richards, 33,806.

563. The following witnesses all advocated the use of the weighing machine: Mr. Albert Pell; Mr. Punchard, agent to the Underley Estate in Westmoreland; Mr. W. E. Bear; Mr. A. A. Scott, representing the Newcastle Farmers' Club; Mr. Parker Norfolk, tenant farmer in the West Riding of Yorkshire; Mr. W. Davies, tenant farmer in Denbighshire;

Pell, 17,757.
Punchard, 15.
Bear, 27,879.
Scott, 30,118.
Norfolk, 60,981.
Davies, 58,864.

Powell, 37,529. and Mr. J. Powell, who farms in Worcestershire. Some witnesses go so far as to
 Forster, 32,433-43. advocate that selling by live-weight should be compulsory, namely, Mr. Forster,
 Lander, 33,485. who farms in Northumberland ; Mr. W. H. Lander, representing the Shropshire Chamber
 Olver, 37,535. of Agriculture ; Mr. R. S. Olver, farmer in Cornwall ; and Mr. Hutchinson, Mr. A. R.
 Hutchinson, 43,824. Stuart, and Mr. Fyshe, witnesses from Scotland.

Stuart, 52,142-5. 564. Mr. T. H. Elliott, secretary to the Board of Agriculture, whilst thinking it
 Fyshe, 53,918-23. advantageous to agriculture that sale by live-weight should be further extended, stated
 Elliott, 36,964-73. his opinion that compulsory sale by live-weight, whether enjoined by Act of Parliament
 or by an Order of the Board of Agriculture, could not be enforced if contrary to
 the wishes of buyer and seller.

Id. 37,002-8. 565. Speaking on behalf of the Board of Agriculture, Mr. Elliott said they were
 disappointed at the extent of the use made of the machines, which was attributed to
 disinclination on the part of farmers and cattle salesmen to change their practice.

566. The Board had gradually brought pressure to bear upon market owners to
 provide facilities for making the system more effective, and whilst willing to
 encourage and stimulate the practice by every legitimate means, the Board do not
 think they can do very much more.

Roy. Com. 567. It appears from the Final Report of the Royal Commission on Market Rights and
 on Market Tolls that valuable information was received by that Commission in favour of the
 Rights and system of selling by live-weight with special reference to the desirability of obtaining
 Tolls, Final records of prices actually realised in markets, and as to the defective manner in which
 Rep. Vol. many market authorities had complied with the provisions of the Act of 1887. The
 XI., pp. 113, Report also called attention to several proposals to the effect that every market
 114. authority should be required to have sufficient and suitable accommodation for weighing,
 subject to control by inspection under the Board of Trade or Board of Agriculture.

568. We heartily recommend the selling by live weight, believing that it is greatly to
 the vendor's advantage that his stock should be sold under that system. We think the
 Acts of 1887 and 1891 will not produce much benefit until the farmers are brought
 more fully to recognise their value, and we feel it our duty to urge agriculturists in
 all parts of the country to adopt and encourage this method of sale.

CHAPTER XIII.

The Board of Agriculture.

Elliott, 37,101. 569. It has been represented to us by the Secretary to the Board of Agriculture
 37,942-51, that it would be a great advantage if the Board were brought into more direct touch
 38,037-49, with agriculturists throughout the country, and that they would be better able to
 38,081-90. take prompt and efficient action in matters falling within their province if local
 correspondents were appointed throughout Great Britain. At present they are very
 deficient in the means of obtaining information as to local agricultural conditions and
 requirements ; and they are dependent on the newspapers and casual correspondents
 for their knowledge concerning matters upon which it is most important that they
 should have authoritative and complete information.

Id., 37,105. 570. The experience of other countries supports this view. In France the assistance
 of the Departmental Professors of Agriculture appointed by the Government is
 available. In Belgium a staff of agricultural experts is stationed in the several provinces
 of the kingdom. In Denmark 17 such experts are appointed to act in different
 districts. The Prussian Ministry of Agriculture is kept informed as to local movements
 in agriculture by the Directors of the Provincial Experimental Stations and other
 institutions subsidised by the State, and similar services are rendered by the officers
 of the State Agricultural Schools and Experimental Stations in Austria, Hungary,
 and in Italy. In the United States the duties performed elsewhere by local correspon-
 dents are undertaken by the several State agents acting in connexion with the
 Agricultural Department, and in special cases by the Directors of the Agricultural
 Experiment Stations.

571. We recommend that assistance should be afforded to the Board of Agriculture
 in this country by the employment of an adequate number of correspondents skilled in
 agriculture who should report to the Board on all matters affecting agriculture in

their respective localities and who should be the means of bringing the Board into closer relations with those engaged in the agricultural industry. It would not, we think, be necessary that such correspondents should devote the whole of their time to this purpose. It would, indeed, be better that they should be engaged in practical farming; but we doubt not that in every district competent men could be found who for a retaining fee would undertake to supply the Board with valuable information by periodical reports, and to investigate special subjects when required.

572. The evidence of the Secretary to the Board of Agriculture shows that a desire is felt by that Department for fuller and more direct information as to the current changes in the local conditions of agriculture in the countries which, either as importers or exporters of agricultural produce, affect agricultural conditions at home, or play a leading part in determining the course of prices in Great Britain. Elliott, 37,105-29, 37,131-59, 37,958-62, 38,104-

573. The circumstances of recent years have led to the adoption of arrangements in this direction by the Agricultural Departments of many foreign countries. For some years past the Governments of the United States and of Denmark have found it useful in the interests of their farming populations to employ and maintain special agents abroad, who are engaged in obtaining and forwarding agricultural information of value to the Governments and producers of these countries. Similar action was taken by the French Government in 1893. Under a scheme sanctioned in 1894 the German Government now employs official agricultural representatives in certain important capitals, and both Norway and Italy possess agricultural representatives in foreign countries. Elliott, 37,962, 37,973-78.

574. We are of opinion that in countries such as the United States, Russia, and Argentina, and possibly others, whence important information as to the prospects and supplies of grain and live stock could be obtained, special agricultural representatives should be appointed, possessing adequate technical knowledge, and competent to forward from time to time prompt and reliable details as regards crop prospects, new modes or subjects of cultivation, the results of scientific research, or the development of the trade in live stock or dairy produce.

575. Any such appointments might be at first of an experimental nature and for a limited period, and the system could be extended, if successful, to other countries in which British agriculturists are interested. Whether such representatives should be agents of the Board of Agriculture or should be officially attached to the Embassies or Legations concerned, or whether the information could in some instances be procured from time to time, without resident agents, by special missions of inquiry, are questions on which we do not express an opinion.

576. The absence of satisfactory statistics as to the market prices of agricultural produce, especially of meat, live stock, butter, and cheese, in Great Britain, has also been brought to the knowledge of the Commission.

577. Except to a limited extent, in the case of the Returns of prices of live stock at certain markets under the Markets and Fairs (Weighing of Cattle) Act, 1891, it would appear that no steps have as yet been taken to give effect to the recommendations in the Final Report of the Royal Commission on Market Rights and Tolls:—
 “That it is desirable to collect statistics of market prices of commodities, through the agency of market owners, as far as may be possible.”
 “That it is desirable to collect statistics of the market prices of meat, and in particular that the prices of cattle at per stone live weight should be collected (in the same manner as the prices of corn are now returned) in such markets as may be selected for the purpose by the Board of Trade.” Final Rep. Roy. Com. on Market Rights and Tolls, Recommendations, paras. 25, 26, Vol. XI. p. 120.

578. The evidence submitted by the Board of Agriculture shows that the Returns of prices of this class now received by that Department are far from complete or satisfactory, and we agree that better means should be afforded the Board of collecting information as to the current prices of meat, cattle, dairy, and other agricultural produce, by means of correspondents at the more important market-centres. It is not anticipated that any very large expenditure would thereby be involved, or that any difficulty would be incurred in giving effect to this proposal. Elliott, 37,066-73, 37,073-78.

CHAPTER XIV.

Agricultural Education.

579. This important subject has recently attracted a large measure of public attention, owing to the action of Parliament in 1890 in handing over to local authorities in England, Scotland, and Wales considerable sums, representing the residue of the beer and spirit duties, which may be applied for the purposes of technical education.

580. We have not been able to ascertain from official sources the amount which the County Councils have spent out of the grant upon technical education in agriculture. The "Record of Technical and Secondary Education," however, in January 1896, estimated the amount spent by county councils in England in 1894-95 towards this object at not less than 60,000*l.*, independently of capital expenditure. An estimated addition may be made, for Wales of 3,000*l.*, and for Scotland 3,000*l.** The Board of Agriculture grants amounted to 7,250*l.*; those of the Science and Art Department to 4,838*l.*, and of the Education Department to 560*l.* These sums, 78,000*l.* in all, approximately represent the total amount of public current expenditure in 1894-95 upon agricultural education in Great Britain.

581. No very accurate basis of comparison exists between the amount of public money devoted to agricultural education in Great Britain and the amount so devoted in foreign States. In France the provision made in 1894 for agricultural, forestry, and veterinary education by the central Government seems to have been about 138,000*l.*, and the Departments allotted about 32,000*l.* for the provision of bursaries at agricultural schools; in Prussia the Government contributed 102,000*l.*, and the provinces about 30,000*l.*; in the United States the Government contributed, in 1892, 343,221*l.*, and the State Governments 222,317*l.*, towards the 61 State agricultural colleges, while towards the experimental stations, which are for the most part attached to the colleges, the United States Government gave 145,000*l.*

582. It must, however, be borne in mind that in most if not all of these countries the proportion of the population directly interested in agriculture is very much larger than in Great Britain. The following table shows this fact very clearly:—

Country.	Total Number of Persons returned as "Occupied."	Number of Persons occupied in Agriculture.	Per-centage of Persons occupied in Agriculture.
Great Britain (1891) -	14,676,436	1,531,705	10·4
France (1891) -	14,599,635	6,535,599	44·8
Germany (1895) -	20,771,090	8,156,045	39·3
Belgium (1890) -	1,857,885	649,252	35·0
Denmark (1890) -	681,952	219,918	32·1
United States (1890) -	22,735,661	8,446,843	37·2

Thus the proportion of persons engaged in agriculture in Great Britain would appear to be very much smaller than in any of the other countries named; and this would still be true, we believe, making all allowances for the different methods of reckoning occupations and compiling the census figures in different countries.

Irish Recess
Committee
Report, 1896,
Appendix.

Sir J.
Crowe's
Report,
Appendix.
Parliamen-
tary Paper,
Commercial
No. 3, 1894,
pp. 52-3.

583. The difference in the system and methods employed is very marked. Abroad, as might be expected where the provision and control of agricultural education is in the hands of the State, we find uniformity of system, and a methodical distribution and graduation of the instruction given. In France, for instance, whose system is perhaps the most elaborate and complete, the Agronomic Institute provides the higher education of the professors, teachers, and men of research of the future. Then follow the national schools of agriculture for sons of large landowners and farmers, the practical schools of agriculture for sons of peasant proprietors, and, lastly, the schools of apprenticeship for the practical instruction of farm labourers' sons. The teaching of these schools is supplemented by lectures given in upper primary schools and to pupil-teachers (for whom a two-year course is provided) by over 200 special professors. There are besides dairy and poultry, horticultural, viticultural, and forestry schools, located according to the special industries of the various districts. In Germany, Belgium, Denmark, Austria, and Italy the same object is kept in view, viz., to make agricultural education accessible to all classes interested in the land.

* This figure was kindly supplied by Mr. Macdonald, the Secretary to the Highland and Agricultural Society, Edinburgh.

584. The Irish "Recess" Committee Report, recently published, gives interesting detailed information upon the whole subject, and quotes the striking results claimed for the French system by M. Tisserand, Director-General of Agriculture in France. Recess Committee Report, 1894.

585. In this country there is no approach to any such system as that above described. The residue grant was unreservedly handed over by Parliament in 1891 to the various local authorities without an attempt to guide or to harmonise its administration. As might have been expected, the earlier efforts of the County Councils to promote agricultural education were necessarily tentative; there was little co-operation between counties, no well-defined principles of administration, and a good deal of money was probably wasted or frittered away in attempting to cover too wide a field and to give instruction with a very inadequate supply of efficient instructors. As to the general results so far achieved, there is much difference of opinion amongst the witnesses who have given evidence before us. Tebbutt, 7120.
Turner, 11,658.
Bear, 27,847.
Looker, 41,312.
Worthington, 12,638.

586. The point, perhaps, which has been most clearly brought out is that lectures, or rather classes, upon some special branch of agriculture, and especially dairying, accompanied by demonstrations, have been much more successful than attempts to deal comprehensively with the subject of agriculture in general.* Approval was generally expressed of the institution by County Councils of farm schools, dairy institutes, and colleges, such as those recently opened at Kingston Fields, Holmes Chapel, Wye, and Uckfield.† Lousley, 31,504.
Flockhart, 52,828.
Broughton, 15,380.
Lipscomb, 20,642.
Sparkes, 21,128.

587. It would be premature to pronounce any confident opinion upon the results and prospects of the Act of 1890, so far as regards agricultural education. No doubt in some counties much ability and trouble have been devoted to the subject by technical education committees and by their organising secretaries, and good work is being done. But it is equally certain that the defects which have marked the early administration of the funds provided by the Act continue to exist more or less, and that the great bulk of the farming class has not been effectively reached by the efforts of the County Councils.

If local management, however, is to continue it is not easy to suggest any change in the system which offers a speedy solution of the problem. But it may be anticipated that in course of time the governing bodies and trained staffs of the collegiate centres, to which further reference will be made, may prove themselves capable of undertaking, under the control of the Board of Agriculture, the application of the funds, and may succeed in enlisting a larger measure of the confidence of the farming class than the County Councils have hitherto secured.

But, however this may be, we think that to promote unity of aim and administration upon more clearly defined principles, the Board of Agriculture should be entrusted with more ample powers of control and inspection over the whole system of technical agricultural education than they now possess.

588. The difficulty of the problem, and the limits within which it can be solved should be clearly recognised. It must be allowed that there is no possibility, under existing circumstances, of the great bulk of the farming classes in Great Britain being in a position to give up the time and the money necessary for a thorough training in the science of agriculture. This is obviously true of the existing farmers; of their sons who have passed their sixteenth year and are destined for a farming career, it may be said that the great majority are required to assist their fathers, and to contribute to, rather than be a charge upon, the income of the family. A college course of many months would be out of the question for them, even if they were fitted by previous training to profit by it. The question arises then, if a thorough education cannot be given except to the comparatively few, what can be done for the many whose opportunities and aptitudes for learning are necessarily restricted?

589. The qualifications with which most young farmers enter upon the business of their lives must not be held too cheap. They are for the most part men endowed with much native shrewdness and powers of observation, developed by the circumstances of their lives. They have been brought up in close touch with the practical routine of the farm, and the daily cares and interests of agricultural life. The experience

* Turner, 11,655; Worthington, 31,314; Stratton, 34,935; Bowen Jones, 44,644; Rowlandson, 17,479; Roberts, 56,011; Lipscomb, 20,637; Sheldon, 21,869.

† Worthington, 12,692; Pell, 20,116; Dobson, 13,138; Edwards, 25,226; Druce, 20,169.

thus learnt can be acquired in no other way, and the knowledge derived from books and teachers, however useful a supplement, can never be a substitute for it. Notwithstanding all that has been done in foreign countries to teach the agriculturists their business at the expense of the taxpayers, the farmers of Great Britain have had little cause to fear a comparison with the foreigner either as regards their knowledge of their business or the results they have achieved. Sir J. Caird in 1878 ("Landed Interest," pp. 68-9), said, "Our average produce of wheat is 28 bushels an acre as against 16 in France, 16 in Germany, and 13 in Russia and the United States. We show a similar advantage in live stock, both in quality and quantity. Our most famous breeders of live stock are the tenant farmers. The best examples of farming are found in the same class." It is only in recent years, under the changed conditions of agriculture, and in connection chiefly with special branches, such as dairying, that the necessity for a thorough knowledge of modern scientific practice has been largely recognised. Many farmers of position and intelligence even now do not share this view, and doubt the value of such agricultural education as has hitherto been given through the medium of schools, lectures, and books. If the system ultimately adopted proves to be incomplete and superficial, these doubts will be strengthened and justified, and the scheme will fail. No system of agricultural education can succeed unless the farmers as a body believe in it, and give it their practical support.

Russell,
55,176.

590. The difficulty, we believe, can only be met, firstly, by the more effectual preparation of young farmers during the school period of their lives for the reception of technical instruction, and, secondly, by the careful choice of their technical instructors and the limitation of the instruction given to those subjects only which can be profitably taught in a short course of lectures or classes, or during a short attendance at a county technical school or institute.

Secondary
Education
Report,
part. 54.

591. Of these objects, the first is the most important. The quality of much of the middle class education of the present day, especially in the rural districts is admittedly inferior. Owing to their diminished resources, an increasing number of the smaller farmers send their children to public elementary schools, where they are fairly well taught, but only up to the age of 12 or 13, when their schooling generally ceases. The better-to-do farmers' sons generally go to grammar or to local private schools, but in many cases neither the means nor the aims of these schools enable them to provide the quality of education that is required.

592. The result is that too often the young farmer finishes his school education with such innate literary or scientific faculties as he may possess, undeveloped, and with little acquired aptitude for work requiring intellectual effort. He possesses no grasp of the elementary principles of the sciences bearing upon agriculture, and no comprehension of the terms employed therein. Hence he is to a great extent debarred from availing himself of the store of other men's experience accumulated in books, periodicals, and reports; he cannot adapt himself to the new and increasingly difficult conditions of his business; he has to build up his experience for himself, at the cost of many mistakes and much trouble and loss.

Wright,
55,512.

593. Professor Wright may be quoted on this point. He says:—"One unfortunate result arising from the ignorance of chemical terms is that when useful experiments are published, practical readers are quite unable to appreciate the value of them. I am thinking especially of one practical experiment conducted a few years ago by the chemist of the Royal Agricultural Society, and of all the farmers I have met in the country I do not think 1 per cent. appreciated the value of the experiment." It should be noted that the witness was speaking of Scotland, where the standard of education is relatively high.

594. We believe then that it is essential for the welfare of agriculture that there should be placed within the reach of every young farmer a sound general school education, including such a grounding in the elements of sciences bearing upon agriculture, *e.g.*, chemistry, geology, botany, and animal physiology, as will give him an intelligent interest in them and familiarise him with their language. It is probable that most men so educated, and armed with the indispensable experience of years spent on a farm, will find it unnecessary to carry their school training further. They would be well able to complete their own education, to master and profit by the results of scientific and experimental research, and to keep themselves generally in touch with agricultural progress.

595. These results would, we believe, be brought about by the establishment of a sound system of secondary education in all parts of the country. Until that step, so vital to the agricultural interests of the kingdom, has been taken, it will rest mainly upon the administrators of the residue grants to satisfy the growing demand for technical instruction in agriculture, and the success of their efforts will, as we urged above, chiefly depend upon their choice of teachers and of subjects.

596. Of the teachers it need only be said that the best must be made of the present limited supply, but that if money's worth is to be obtained and the confidence of the farmers enlisted, only those teachers should be ultimately retained who have been systematically trained in the subject they undertake to teach, and who understand the art of oral instruction.

597. Special subjects of instruction such as can be treated in a short course, and which do not require for their due comprehension more previous knowledge than the students are likely to possess, should be selected. The object should be not so much the inculcation of principles as of practical points of farm management lying outside the ordinary farmer's experience.

598. As bearing upon this point we may refer to the evidence of Professor Wright, who pointed out several matters upon which, in his opinion, farmers might be much better informed and skilled instruction given them, as, for instance, the determination of the cost of producing different crops, the choice of suitable crops and varieties of seeds, the selection of and application of artificial manures, and the preparation and utilisation of farmyard manure. Wright, 55,516-8; 55,527-36; 55,547-55.

599. Experience will be the best guide in the choice of the most suitable subjects of instruction. Until these are ascertained, some such list as the following might be suggested:—

1. Demonstrations of the best agricultural processes, and of the uses of the best machinery and appliances, especially in dairying.
2. The conclusions, given in non-technical terms, of the best and most recent authorities on the selection and use of foods, manures, and seeds.
3. The cost of the various operations of the farm, and the economical organisation of labour.
4. Farm accounts and journal keeping.
5. Plain sanitary rules for the farm.
6. Insect pests, and how to deal with them.
7. Farriery.
8. Poultry management.
9. Orchard management.
10. Packing and preparation for market.
11. Cider making and other operations of local importance.

600. The efficiency of instruction given at a school or institute with a fixed staff, and equipped with the needful land and appliances, over that given by means of migratory lectures and classes is obvious, and the action of those counties which have founded such establishments is highly to be commended. It is not to be expected, however, that methods which have the merit of making the teaching easily accessible to all can, at present, at all events, be dispensed with or superseded.

601. Many County Councils endeavour, by means of continuation classes, and manual instruction, to give the labourers increased interest and skill in their work. A more efficacious step in this direction, in our opinion, is the provision in many counties of skilled instructors in horticulture for the benefit of cottagers, allotment holders, market gardeners, and fruit growers. These instructors visit every part of their counties, give lectures, and accompany cultivators to their allotments and gardens to point out errors of management and give hints; model gardens in some counties are also provided. These experiments we hope will prove successful; a man who has learnt to make the most of a half-acre allotment will probably succeed in the management of a small holding, and it is very desirable, in the interests of agriculture, that labouring men of thrift, industry, and intelligence should be encouraged to qualify themselves to become valuable recruits to our farming class. Collins, 37,265. Olver, 37,469. Bowen Jones, 44,693. Simpson, 16,795. Dunsian. Nicholas, 35,213. Bowen Jones, 44,646. Dunstar, 13,701.

Report of
the Board of
Agriculture
on the Dis-
tribution of
grants to
Agricultural
Schools,
1895-96.

602. There is reason to believe that in a few years the field of agricultural education may, more or less efficiently, be covered. The education of the richer classes connected with agriculture is adequately provided for by such institutions as Cirencester and Downton. University and other provincial colleges, such as those at Newcastle, Bangor, Leeds, and Reading, under the stimulus of contributions from the Government and the County Councils, are devoting much attention to their agricultural departments, and men who require a complete course of scientific instruction at moderate cost, and are ready to devote the adequate time, will find no lack of such institutions to receive them. We may expect that the sons of the larger farmers, and young men destined for the teaching profession, and the winners of agricultural scholarships, will form the bulk of the students at these centres. In addition to the higher education, short courses and lectures are also given; special subjects, such as butter-making, are taught either at the colleges or at travelling classes organised by them; field demonstrations are conducted, and elementary teachers are trained. County Councils are beginning to look to the colleges for their supply of lecturers and teachers, and of skilled men who, when invited, confer with and advise farmers upon technical matters. This latter practice has been adopted with considerable success in France and Ireland, and we lay stress upon it as affording perhaps the only means whereby technical instruction can be brought within reach of the older farmers, who have not the inclination or the aptitude to attend lectures and classes.

603. Of these collegiate centres there were 10 in 1895-96 receiving Government grants, varying from 150*l.* to 800*l.*, and two or three more such institutions would, in the opinion of the Board of Agriculture, be sufficient, at all events for England and Wales. As regards Scotland a collegiate centre established at Aberdeen, in addition to those in Edinburgh and Glasgow, would probably satisfy the requirements of that country.

604. We cannot yet say how far the results attained by these colleges can compare with those attained by institutions founded and managed by County Councils and wholly devoted to agricultural instruction. Of these, Wye College, founded by the County Councils of Kent and Sussex, is the most important. It is thoroughly well equipped, and commands the services of an efficient staff. Accommodation is given for about 30 resident students, at fees varying from 70*l.* to 40*l.* a year for board, tuition, and all incidentals. The full course qualifying for a diploma consists of eight terms of 12 weeks each. Demonstration and practical work is conducted on the farm of 120 acres (grass) and 120 acres (arable). There is also a dairy school, which is the centre of the migratory work done in the summer. Colleges situated in towns, and devoting only a portion of their energies to agricultural teaching, cannot be expected to compete successfully with such establishments as Wye College, except perhaps in the comparative cheapness of their establishment, and of the education they offer. Time will determine which of the two systems is the fittest to survive, but as long as they continue to co-exist, they should supplement, and not clash with or overlap, each other.

605. To summarise our conclusions; we believe firstly that the results of any special education of the young farmer in agriculture will be inadequate and disappointing in so far as his preliminary education may have been incomplete or inappropriate. But much of the middle class education, especially in rural districts, is confessedly of this character, and its standard urgently requires raising. We trust that measures to this end will before long be taken by the Legislature, and that thus a grave hindrance to agricultural progress may be removed.

Secondly, we do not doubt that a good deal may be done by wise administration of the funds allotted by Parliament to supplement existing deficiencies. The attainment of this end might, in our opinion, be facilitated, and unity of aim promoted, by the extension to all parts of Great Britain of the inspection of the results of local educational administration by the Board of Agriculture, and by the collection by the Board of full information, with comments thereon by their skilled advisers, as to the nature, cost, and results of the steps taken in the various districts to supply technical instruction in agriculture, which information should be embodied in a special annual report.

Report of
Royal Com-
mission on

606. Thirdly, we heartily concur with the recommendation of the Secondary Education Commission, that the residue grant under the Local Taxation (Customs and

Excise) Act, 1890, should be made exclusively applicable to education, and we consider that an adequate share of it should be devoted to agricultural education.

Secondary
Education,
C.—7862 of
1895, para.
139.

607. Lastly, we consider that if the higher agricultural education is to become accessible to any but the comparatively well-to-do, it must be provided by collegiate centres, such as those already in receipt of Government aid, whether of the type of the Newcastle and Bangor Colleges, or of Wye College. If the experiment prove successful, and further aid is needed, we hope that the Legislature will not consider themselves restricted to so small an annual grant as 8,000*l*.

PART IV.

Summary of Recommendations.

608. We now humbly lay before Your Majesty the following summary of the recommendations we desire to make requiring legislative or administrative action to carry them into effect. Other conclusions and suggestions will be found under their respective heads in the foregoing portions of this Report.

Amendments to the Agricultural Holdings Acts (England and Scotland), 1883.

We recommend :—

1. That notice to the landlord, but not his consent, be required in respect of the following improvements :—
 - The improving of roads.
 - The improving of watercourses.
 - Making of gardens not exceeding one acre.
 - Planting of orchards or fruit bushes not exceeding one acre.
 - Making and planting of osier beds not exceeding one acre.
2. That section 1 of the Agricultural Holdings Acts, 1883, be amended by the omission of the proviso recognising the inherent capabilities of the soil.
3. That it be made clear that power is given to referees to award compensation for long-continued use of manures.
4. That the consumption by cattle, sheep, and pigs of corn produced on the holding should be the subject of compensation. Also that compensation be allowed in respect of corn consumed by horses other than those regularly employed on the farm.
5. That the principles of the Arbitration Acts of 1889 be adopted, by which, unless the parties otherwise determine, the case is referred to a single arbitrator.
6. That in all cases under the Acts the umpire should be chosen from a list approved by the Board of Agriculture, and that "referees" should be styled "valuers."
7. That power be given to umpires and valuers to include in one award compensation for claims by either party under custom or agreement in respect of matters and things not included in the Acts, as well as those which are under the Acts
8. That notices of claim be done away with, due provision being made for either party putting the Acts into operation, and for written statements of claim being laid before the referees; and that if neither party claim within three months from the determination of the tenancy, all right to claim shall be barred.
- If, however, the notice of claim be retained, we recommend that the determination of a tenancy, for the purpose of section 7 of the Acts, should be deemed to be the period when rent ceases to accrue.
9. That the dilapidations for which a landlord may claim compensation should be scheduled.
10. That no sum be recoverable as a penal rent or in respect of any breach of covenant in excess of the amount of actual damage sustained by the landlord.
11. That the period in respect of which a landlord may claim waste or breach under section 6 of the Acts be limited in the case of all tenancies from year to year to a period of two years.
12. That except on points of law there be no appeal from the award under the Acts.
13. That distress for rent be limited to such rent as has accrued within, and in respect of, a period of 12 months expiring at the date of such distress.

Tithe Rentcharge.

We recommend :—

1. That the remission of tithe rentcharge be allowed down to one-half of the assessment under Schedule B., and that remissions of rents and irrecoverable rents, in respect of which income tax under Schedule B. is repaid, should be taken into account, subject to certain rights of appeal, even although the assessment remains unaltered.

See *ante*,
paras. 316–
378.

See *ante*,
paras. 454–
466

2. That the tithe-owner and the tithe-payer should be empowered to enter into agreements for the reduction of the amount payable for a term of years, subject to the approval of a central authority, and after due notice to the bishop of the diocese; and that the Board of Agriculture be substituted for the county court as the tribunal to grant remissions in cases where such agreements have not been entered into, and the amount due exceeds one-half of the gross value of the lands.
3. That the tithe-owner and tithe-payer should be empowered, subject to the proper guardianship of the inheritance, to settle the terms of redemption of tithe rentcharge according to the different circumstances of each case.

Railway Rates.

We recommend:—

1. That the Traffic Acts of 1888 and 1894 be amended so as to make clear and effective the intentions of the Legislature in regard to rates on foreign agricultural produce and the increases of rates generally since the end of 1893. See ante, paras. 503-529.
2. That arrangements be made, if practicable, with the railway companies by the Post Office for the reduction of the charges for the carriage of agricultural produce by parcel post proportionate to those recently made by the companies in their charges for parcels sent by ordinary trains.

Damage by Game.

We recommend:—

- That the right of occupiers to compensation for damage to their crops by game preserved by adjoining owners or occupiers, as well as by game preserved by their landlords or the shooting tenants, be recognised and defined, and made enforceable by as simple and inexpensive means as possible. See ante, paras. 530-543.

Sale of Adulterated Products.

We recommend:—

- That the proposals of the Food Products Adulteration Committee, so far as they relate to agricultural produce, especially the proposal to prohibit the artificial colouring of margarine to imitate butter, be carried into effect by legislation. See ante, para. 557.

Sale of Imported Goods as Home Produce.

We recommend:—

- That the first two recommendations contained in the Report of the House of Lords Committee appointed to inquire into the subject of the marking of foreign meat should be carried into effect by legislation, viz.:— See ante, para. 557.
1. "That every person dealing in imported meat should register as such, and should affix a notice plainly exhibited over his shop that he is registered as a dealer in imported meat."
 2. "That the inspection of retail butchers' shops be made in the same way as under the Food and Drugs Act by duly qualified inspectors."

The Board of Agriculture.

We recommend:—

- That more assistance should be afforded to the Board of Agriculture for the employment of correspondents, both in this country and abroad, who should report to the Board on all matters affecting agriculture in their respective localities. See ante, paras. 569-578.

Education.

We recommend:—

1. That legislation be undertaken with the view of raising the standard of middle class education, especially in the rural districts. See ante, paras. 579-607
2. That the Board of Agriculture be entrusted with more ample powers of control and inspection over the whole system of technical agricultural education.
3. That the residue grant under the Local Taxation (Customs and Excise) Act, 1890, should be made exclusively applicable to education, and an adequate share of it devoted to agricultural education.

*Recommendation in our Second Report.***Loans for Agricultural Improvements.**

We recommend:—

That public money to a limited amount on adequate security, and at a fair rate of interest, be advanced to landowners for the purpose of agricultural improvements, repayable, where the nature of the improvement permits, over a longer period than that of 25 years now fixed by the Improvement of Land Act.

C.-7981 of
1896, paras.
49-64.

609. We do not claim for these recommendations that either singly or in the aggregate they will prove to be a complete remedy for agricultural depression. They are in the nature of palliatives, and will, we hope, if carried out, do something to ease the position of occupiers of land and enable them to conduct their business to more advantage.

610. It is unfortunately true that since the date of the last inquiry into agricultural depression, the position has become much worse. Farmers have gone through a prolonged period of difficulty and distress, they have incurred heavy losses of capital, and speaking generally have had greatly diminished profits or no profits at all. Large numbers of them have been ruined, and many are still in a very precarious condition. The number of labourers employed on the land has been rapidly diminishing, notwithstanding the rapid increase which has taken place in the total population of the country. Nevertheless, except in the most depressed districts, some adjustment, more or less adequate, is being effected between farmers' diminished incomes and their outgoings, partly by a reduced scale of living, partly by judicious modifications in the system of cultivation, by a reduction of rent and the relaxation of onerous covenants, by economy of labour, assisted also by a fall in the price of manures and feeding stuffs, and of all articles of consumption not produced on the farm itself. The capital required on entering upon a farm is considerably less than was necessary in periods of higher prices, and lastly, farmers generally will soon begin to profit by the relief afforded to them by the Agricultural Rating Act, 1896, passed by Parliament upon the recommendation of this Commission.

Second Rep.
C.-7981 of
1886.

611. Much more, however, remains to be done, and in this report we have endeavoured to indicate the remedies for some of the disadvantages under which agriculture still labours. The farming class should share more fully than they do in the educational facilities enjoyed by the community generally. There is urgent need for more co-operation among farmers in raising the standard of quality and uniformity of their products, especially dairy produce, in bringing their produce to market as cheaply and as expeditiously as possible, and in the purchase at reasonable prices of the best manures, feeding stuffs, and plant required in their business. We believe that the reduction in railway rates for agricultural produce already conceded should stimulate agriculture, but it is contended that further relief is urgently needed from onerous and restrictive railway rates. We doubt whether the intentions of Parliament have been clearly expressed or given effect to by recent railway legislation, and we think that amendment of the Acts of 1888 and 1894 in this sense are desirable.

612. We recommend that increased security should be given to tenant farmers, and full compensation for their improvements in the hope that good farming may be thereby encouraged and capital attracted to the land. The provision by the State upon fair terms of the means whereby landowners may carry out the permanent improvement of their estates is recommended as enabling occupiers to make the most of their land and as promoting the employment of labour.

613. Giving full effect, then, to such favouring circumstances as exist and to those which we trust may follow upon the adoption of our recommendations, and crediting the farmer with average skill and industry and sufficient capital, we think it not unreasonable to believe, even with the present low level of prices, that the land of Great Britain which is reasonably favoured in point of either quality or situation will continue to be cultivated, in grass if not as arable, and will yield a profit, reduced indeed and more hardly gained, but fairly comparable, all circumstances considered, with that earned in other departments of industry.

614. In the districts where the conditions of soil and position are most unfavourable the losses incurred have been very great, and the outlook is discouraging. It is obvious that where the farmer is obliged to depend for his profit chiefly upon those crops which have suffered the greatest depreciation, and where at the same time he cannot reduce his labour bill, which is his chief outgoing, there must with falling

prices come a time when not only the payment of rent, but the cultivation of the land, will cease to be possible. This has already come to pass in some districts, and notably in south-eastern Essex, and would undoubtedly have taken place over a larger area had not both landlords and tenants made great sacrifices to avert such a calamity. With the exhaustion of their resources and failing a recovery of prices, it is probable in our opinion that more land will become wholly derelict, or will fall down to rough pasturage of little value.

615. It seems to us clear that if the effective relief of the cultivators of the land thus threatened be the object aimed at, it cannot be brought about by further reductions of rent, whether voluntary or compulsory or by land tenure reforms. Where rents have fallen so low as to be insufficient to provide for the maintenance of buildings, drainage, and facilities indispensable for the profitable occupation of the land, they cannot be reduced with any permanent advantage to the tenant.

616. There are no doubt parts of Great Britain where occupying ownership is suited to the character of the people and the circumstances of the land. But in the face of the evidence before us we cannot say that in the distressed districts of which we are speaking it is probable that small freeholders would farm the land to greater profit than the tenant farmers have done, or that the elimination of the landlords' interest would keep land in cultivation which would otherwise be abandoned. Landowners in these districts are in no position to impose onerous conditions on their tenants, or to run any risk of losing them. When they are possessed of other resources than those derived from the land the estate is frequently kept up, improvements made, and tenants encouraged to retain their occupations largely out of those resources. To lessen the landlord's interest in his property would injure rather than benefit the tenant, and would discourage the transfer of estates from impoverished to wealthy men.

617. The grave situation we have described, affecting no inconsiderable part of Great Britain, is due to a long-continued fall in prices. This fall is attributed by the great majority of witnesses to foreign competition, and, as previously pointed out, we have not been able to find any promise, in the near future at all events, of a material relaxation of the pressure of this competition upon the British producer.

618. So far, then, as the maintenance of this competition involves the continued depreciation of agricultural values, we must look forward to a further reduction of the area of British land susceptible of profitable arable cultivation, together with a corresponding contraction of our production and a diminution of our rural population.

619. We have agreed nearly unanimously upon our report up to the point now reached. But upon the remaining subject of discussion, viz., whether any, and if so, what remedy or remedies might be possible for the chief cause of depression, there is considerable difference of opinion amongst us, and we think it desirable to close this part of the report at its present stage, leaving the subject to be dealt with in separate memoranda.

All which we humbly submit for Your Majesty's gracious consideration.

*(Signed) COBHAM.
RENDEL.
HENRY CHAPLIN.
WALTER H. LONG.
R. NIGEL F. KINGSCOTE.
R. GIFFEN.
CHARLES I. ELTON.
OWEN THOMAS.
JOHN CLAY.
C. N. DALTON.
ROBERT LACEY EVERETT.
JOHN GILMOUR.
WILLIAM C. LITTLE.
CHARLES WHITEHEAD.

HERBERT LYON,
Secretary.
R. F. CRAWFORD,
Assistant Secretary.
June 25, 1897.

* Subject to the reservations and memoranda set forth below, pp. 172-185.

PART V.

Supplementary Report.

1. In the foregoing paragraphs, which we have signed, we have examined the extent and distribution, the causes and effects of agricultural depression, and we have expressed the view, on which the evidence is practically unanimous, that the fall in the prices of produce is primarily responsible for that depression.

We have also made a number of recommendations, dealing with various aspects of the question, but none of them pretend to be remedies or anything more than palliatives for the distress which has overtaken agriculture, nor do they relate in any way to the main cause of depression, viz., the fall in prices.

2. Under these circumstances, it seems to some of Your Commissioners, that our inquiry would in many quarters be held, and not without some reason, to be barren and practically useless, if no attempt was made to ascertain whether and how far this primary cause of depression can be mitigated or removed; and we, therefore, propose in the following paragraphs to examine this aspect of the question.

Final Report, Part II., Chap. II., paras. 183 and 298, and Part IV., par. 617.

3. The evidence we have taken shows that by most of the witnesses the fall in prices is attributed to increased facilities and lessened cost of production, to the opening of new countries, to improved facilities of transport, and consequently to increased foreign competition, which they regard as the source and origin of their troubles.

4. Others, again, representing the opinions of a considerable, and so far as we can judge, a steadily increasing section of the agricultural community, attribute the fall in great measure to a change which has occurred, not so much in circumstances affecting products or commodities, as in the value of money itself, since the abandonment in 1873 and 1874 of the bimetallic system, which formerly prevailed in certain countries on the Continent and in the United States of America.*

See Chapter on Foreign Competition Part III., chap. II.

5. With regard to the main cause to which agricultural depression is most commonly attributed by the majority of witnesses, it is true, of course, that during the past twenty years vast areas of land in various countries have been brought into cultivation, and now supply enormous quantities of food which was not produced before; and concurrently with this increased production, facilities for its transport have also been constantly increasing.

Seth Taylor, 49,965, 50,043.
Bear, 27,701-2.
Davidson, 51,096.
Scott, 29,986.
Lawes, 41,142.

6. We cannot doubt that to some extent, and possibly to a considerable extent, the prices of agricultural produce have been affected by this process, but it must also be remembered that during the same period the population of the world has immensely increased, and an enormous increase of production has necessarily been required for them; and although some witnesses have urged that the fall in prices is largely due to over-production, we have had no evidence, and we greatly question if such evidence could be adduced, to show that, compared with the increase of population, the food products of the world to-day are materially greater than they were before the fall in prices commenced.

Agricultural Returns, 1895, and Appendix IX. to this Report.

7. In the case of wheat, indeed, the commodity which perhaps has fallen more in price than any other, the information which we have appears to point in the opposite direction.

Such statistics as are available tend to the conclusion that while the average price of wheat in 1895 was the lowest upon record, for many generations, the wheat crop of the world was less in 1895 than in either of the two preceding years.

The same view is confirmed by the opinions of our colleague Sir Robert Giffen and by the evidence of Major Craigie.

* Giffen, 18,565-6, 18,083, 18,248, 18,276, 18,328, 18,485; Squarey, 7376-86; Johnson, 7711-3; Wilson Fox, 9222-9; Rolleston, 13,399-406; Turnor, 14,376; Read, 16,362; Everett, 18,785, 18,789; Foxwell, 23,577-80, 23,591-603; Bear, 27,490; Scott, 30,148; Muirhead, 30,472-3; Hoare, 30,639-45; Forster, 32,127-34, 32,227, 32,241, 32,258; Price, 47,481; Raynbird, 6219, 6254, 6281-7; 6304-10; Stratton, 35,109-11; Riley, 36,581-5; Olver, 37,435-41, 37,733-5; Rew, 49,076-7, 49,105-113; Fox, 49,880-4; Gibbon, 53,657, 53,678-89; Jones, 58,286-7; Rew, Salisbury Plain, par. 83; Rew, Dorset, par. 78; Fox, Glendale, par. 26; Fox, Lincoln, par. 52; Fox, Suffolk, par. 46; Rew, Norfolk, par. 132.

In an able and interesting memorandum by our colleague on the real agricultural development of last 20 years, which will be found in the Appendix, and to which we have referred in par. 300, he writes as follows:—

“Speaking broadly the figures clearly suggest that the decline in wheat during the last 20 years is not due to any great growth of production, in excess of the growth of the consuming population. The facts are rather the other way; the growth of the acreage under wheat has lagged behind the growth of population.”

Major Craigie, in his evidence, also stated his impression, from such figures as were available, that there had been no increase in the wheat area to correspond to the increase of the wheat-consuming population of the world. Craigie, 40,186.

8. The remedy for the present state of things suggested by the majority of witnesses has been a return to measures of protection, nor is it possible to ignore the fact that a great number of farmers throughout the country share this view; but it is to be noted that several of those who are among the warmest advocates of protection told us they did not regard the adoption of that policy as within the pale of practical politics.*

9. Others again, despairing of the possibility of obtaining protection, have limited their recommendations to the imposition of duties for purposes of revenue.†

One suggestion in particular, in this direction, was frequently urged upon us, viz., the re-imposition of the old 1s. duty upon grain, which was abolished in 1869.‡

10. In support of this proposal, it was pointed out with considerable force that while the revenues so obtained would at the present time be very large, a rise or fall of 1s. in the price of wheat makes no change in the price of bread, and the position of the consumer would not be in any way affected; a statement which, in our opinion, can scarcely be disputed. Smith, 54,392.
Read, 16,075.
Fox, Suffolk, App. B. 8.

11. It is to be observed, however, that agricultural depression has not been by any means confined to Great Britain, and we have, therefore, thought it well to seek for information as to the effect of protection on agriculture in foreign countries, where that system is in force already.

12. Communications were accordingly addressed by the Commission to the Foreign and Colonial Offices, requesting that information should be obtained for us with respect to the position and prospects of agriculture in certain countries abroad. See Appendix II.

To these communications replies have been received from Her Majesty's representatives in France, Germany, Russia, Denmark, Holland, the United States, and the Argentine Republic, as well as the several Australasian Colonies. These replies, together with some interesting information, which we have received from the Secretary of India, with regard to the agricultural position in India, have been printed and published in the Appendix.

We have also been furnished by the Board of Trade with statements of the rates of Customs Duties leviable on imports of agricultural produce into the different European countries and the United States. Minutes of Evidence, Vol. I., App. C., and Vol. III., App. C.

* Fox, Cambridge, par. 78; Pringle, Axholme, par. 70; Rew, Norfolk, par. 140; Fox, Suffolk, par. 122; Fox, Lincoln, par. 174; Pringle, Beds., par. 162; Spencer, Aylesbury, par. 70; Hope, Roxburgh, par. 33; Hope, Perth, par. 10; Fox, Cumberland, par. 69; Pringle, Durham, par. 70; Fox, Garstang, par. 37; Fox, Glendale, par. 31; Fream, Andover, par. 63; Fream, Maidstone, par. 71; Rew, Salisbury Plain, par. 77; Spencer, Oxford, par. 94; Turner, Frome, par. 70; Turner, Stratford-on-Avon, par. 38; Rew, Dorset, par. 86; Rew, North Devon, par. 75; Harrison, 1401, 1566-9; Noakes, 3261-2, 3357-8, 3362; Ingram, 3621, 3683-6; Engleheart, 4274-5; Harris, 3448; Rankin, 5715, 5821; Hicks-Beach, 6148; Wyatt, 10,931, 11,039-44; Broughton, 15,359-61; Read, 16,352, 16,075-6; Mercer, 27,358-63, 27,371-2; Lousley, 31,187-90; Epton, 35,928-9, 35,941-4; Riley, 36,465; Latham, 37,337-40; Biddell, 39,658-68; Treadwell, 39,802-3; Looker, 41,318-9; Adams, 41,936, 41,999-42,055; Hutchinson, 43,789-99, 43,954-7; Seth Taylor, 50,039, 50,253-7; Dickie, 52,341-6, 52,393-6; Flockhart, 52,820-2; Fyshe, 53,940, 53,989-92, 54,019-20, 54,022-4; Smith, 54,391-6; Kirby, 60,657-8; Powell, 61,805-6, 61,921-8.

† Fox, Lincoln, par. 174; Read, 16,073, 16,076; Lousley, 31,191; Pears, 36,221-4; Riley, 36,465; Smith, 54,391; Harris, 4856-8.

‡ Read, 16,073, 16,352; Pears, 36,221-4; Smith, 54,391; Powell, 61,806; Fox, Suffolk, App. B. 8; Fox, Lincoln, App. B. 10.

13. The following table shows the rate of duty imposed upon wheat, flour, barley, oats, cattle, butter, and cheese in some of the principal countries of Europe and the United States :—

—	Wheat per qr.	Barley per qr.	Oats per qr.	Flour per cwt.	Oxen per cwt.	Butter per cwt.	Cheese per cwt.
France - -	s. d. 12 3	s. d. 4 5	s. d. 3 5	s. d. 11 2 to 16 3	s. d. 4 1	s. d. 2 5	s. d. 6 1
Germany - - -	7 7	3 8	3 11	9 3	each 25 6	8 2	7 7 and 10 2
Russia - - -	Free.	Free.	Free.	4 11	Free.	4 11	53 2
Denmark - - -	Free.	Free.	Free.	Free.	Free.	Free.	11 9
Netherlands - - -	Free.	Free.	Free.	Free.	Free.	Free.	4 3
United States - - -	8 6	10 5	5 2	25 per cent. ad valorem.	20 per cent. ad valorem.	18 8	18 8

14. From this table it appears that among the European countries, while none of them are altogether free from Import Duties upon food, protection is most developed in Germany and France.

In each of these two countries the Import Duties upon food have been largely increased during the past 20 years, and it is both interesting and instructive to examine the information which we have received as to the agricultural condition of the countries we have named during a period of falling prices.

Appendix II. 15. With regard to France, it is contained in “A Report on French Agriculture,” prepared by the late Sir Joseph Crowe, and the following passages may be noticed :—

“During a recent debate (February 2) in the Chamber of Deputies, in which the subject discussed was the budget of the Agricultural Department, the principal speakers pointed out that the continued depression of agriculture was proved by the absence of all trace of cultivation on thousands of acres of land, and the gradual emigration of labourers into the towns.”

“Protection, moderate in its beginnings, has become aggravated with time and constitutes a vast burden upon the State, with, as yet, little appreciable results. We have seen that agriculturalists complain as loudly now as they did in the beginning of the crisis, and that values have not improved.”

“Notwithstanding all efforts, the general and universal complaint is that agricultural products, viz. : cereals, butter, cheese, wine, sugar, cattle, sheep, have fallen in price to such an extent that little or no margin of profit remains to the producer.”

16. The following quotations, for a series of years, of the prices of wheat are also given in this report :—

Year.					Per Quintal.
					fr. c.
1867	-	-	-	-	34 34
1877	-	-	-	-	28 87
1890	-	-	-	-	23 79
1891	-	-	-	-	28 0
1892	-	-	-	-	20 0
1894	-	-	-	-	19 50

These tables, if compared with similar tables in this country, make it clear that price of wheat in France from 1890 to 1894 was maintained at a considerably higher level than in England; but it also shows a decline of over 43 per cent. in the price of wheat since 1867, notwithstanding the fact that during this period the duty on imported wheat has been raised from 10d. to 12s. 3d. a quarter.

17. On the other hand it is to be noted that in spite of adverse prices the area of wheat cultivation in France has not diminished. According to Sir Joseph Crowe’s

Appendix II.

report, the acreage under the crop was 17 million acres in 1862-81, 17,290,000 acres in 1882-88, and 17,468,000 acres in 1893.

This, however, is accounted for in Mr. Warburton's Annual Report on the Consular district of La Rochelle in 1895, in which it is stated "that the argument which is sometimes used, that the wheat crop of France must pay because the area under that cereal is not diminishing, is a mistaken one, the fact being that French farmers sow wheat because they must grow something, and as yet they have not been able to find anything to replace it, though many crops have been suggested and tried. Not only do they lose on wheat-growing, but they lose heavily, and the advantage they have over British farmers in the protective duty of 12s. 3d. per quarter is counter-balanced by the much smaller return per acre."

Foreign
Office Report,
Ann. Series,
No. 1683.

18. Our information as to Germany is taken from a report upon the agricultural position of that country, drawn up by Mr. Whitehead, Second Secretary to the Embassy at Berlin, and forwarded to Sir E. Malet. Appendix II.

19. It is thus described in the following paragraph which we quote from the Report:—

"That a severe depression of agriculture exists at the present time cannot be doubted. The unanimous opinion of all the parliamentary representatives of the landed interest, both in the Prussian Landtag and in the Reichstag, the formation of a distinct agrarian party, and the efforts made by that party to obtain some means of relief, are sufficient proof of this, and the present abnormally low prices of wheat and rye, which are admittedly below the cost of production, are in themselves a sufficient cause."

20. Mr. Whitehead adds that in a long speech made before the Prussian House of Deputies, Baron von Hammerstein, the Minister of Agriculture, stated that the Prussian Government acknowledge to its fullest extent the fact that agriculture is at present in a most difficult and critical position, and he goes on to say:—

"The fairest and most impartial observers are of opinion that, taking the question of corn-growing as a whole, and putting aside extreme cases, whether favourable or unfavourable, it must be admitted that the majority of landowners and farmers are unable to carry on this principal branch of German agriculture at a profit while the present prices continue."

21. Calculations are also given in the Report showing the estimated loss upon the wheat and rye crops in Germany in 1893 and 1894, after allowing the cost of production, to have been no less than 13,800,000%.

22. If we turn from Europe to Australia, the information we receive is to much the same effect.

We have had reports from the Colonial Office upon the agricultural condition of each of the Australian Colonies, and we have also taken evidence from Mr. Matthew C. Thomson, a witness of great experience in the production of cattle and sheep and who has been resident in Queensland for upwards of 30 years. Appendix II.
Thomson,
45,874.
45,876.

This gentleman told us that the fall in prices had been a great calamity to the farmers in Australia, and that there is a very serious depreciation in the value of stock and station properties. 46,138.
45,879.

His evidence is confirmed by the reports from the Colonial Office, which point to the existence of agricultural depression in a more or less severe degree in each of the Australian Colonies, with the single exception of Western Australia, where agriculture has as yet made little progress, owing to the development of the gold-mining industry.

In Victoria, New Zealand, and Tasmania, in New South Wales and in South Australia, as well as Queensland, there are serious complaints of agricultural depression. Appendix II.

In the last three colonies, it is said that latterly it has been abating, but in all of them it is described as severe, and attributed to low prices. The fall in wool in Tasmania, it is stated, being 50 per cent., while in other items it has not exceeded 33 per cent.

23. From all the remaining countries which we have referred to, with the exception of the Argentine Republic and India, come reports to a similar effect.

All of them complain in a greater or less degree of agricultural depression, which in each case is attributed to precisely the same cause, viz., the fall in the price of agricultural produce.

Appendix
VIII.

24. From India, however, no such complaints are heard. On the contrary, in reply to the inquiries we have addressed to the Government of India, we receive the following information:—

“In India, as a whole, apart from the present famine, the condition of agriculture during the last ten years has been flourishing. The breadth of land under cultivation has extended, the number of stock is larger; the rental and revenue from land have grown; the exports from agricultural produce have advanced.”

In answer to the question, Why is India exempt from the agricultural depression which has been so general in other countries, and what is the reason which accounts for it, we are told that “the prices of agricultural produce have not fallen.” It is also stated that the great extension of railways partly accounts for the prosperity during the last 10 or 15 years.

The explanation which is offered for the steadiness of agricultural prices in India, as compared with the heavy fall which has occurred in England, is as follows:—

“The maintenance of a silver currency in India may have been an important factor in steadying prices and so contributing to agricultural prosperity in India. If there had been a gold standard of money in India, prices of produce might have fallen in sympathy with gold prices in England.

It is also pointed out that while India, if freights were low, would be likely to send wheat to England, if prices ruled generally in London as high as 28s. a quarter, Indian wheat could hardly have come to Europe at the prices of 1893–96, but for the low freights and the exchange value of the rupee being so far below the old par of 10 rupees to the 17.

The foregoing statements as to the flourishing condition of Indian agriculture are supported by statistics and by tables showing the course of prices in India during the last 30 years, which are published in the Appendix.

In these statistics are given the results of recent valuations of the rental of Lower Bengal for the purpose of local rating (Road Cess Act). They show an increase of rental between 1873 and 1895 of 19 per cent. in the 22 years.

Appendix II.

25. Again, from Argentina, the information which we have received is of a similar character. It will be found in the report prepared by Mr. Arthur Peel, Second Secretary to the Legation at Buenos Ayres, on “the Agricultural and Pastoral Industries of Argentina,” dated May 14th, 1895, in the report of Consul Bridget from Buenos Ayres dated 24th November, 1896, and in the evidence of Mr. Seth Taylor, Mr. Harris, and Mr. de R. Brett, as well as in that of other witnesses.

From Mr. Peel’s report it appears that Argentina alone among the countries referred to is free from agricultural depression as understood in the United Kingdom. Her capacity for the production of cereals and the area of land suited to this branch of industry appear to be practically unlimited, and, for the reasons adduced by Mr. Peel, she does not suffer in the same degree as other countries from the fall in prices. It is stated in his report that the farmer in the Argentine Republic can grow wheat at a profit and sell in London at 20s. a quarter, and that he is enabled to do this by the high premium on gold; in fact, the higher the premium on gold the lower the price that he can afford to take, an advantage which makes him more or less independent of the market, and enables him to undersell his rivals in all parts of the world.

26. These views as to the effect of the gold premium are strikingly confirmed by Mr. Taylor and Mr. Harris, both of whom are gentlemen of the widest experience in the corn trade of the world, and by Mr. de R. Brett.

27. Against this, however, it must be noted that the northern districts of the Republic are liable to the ravages both of locusts and of drought, and we learn from Consul Bridget’s report “that in the northern provinces of Rosario the wheat crop is almost a total loss,” and that in Santa Fé it has been “exceptionally disappointing.” The late severe hailstorms, combined with continuous rain and locusts, have done enormous damage.”

On the other hand, we are told in the same report that, notwithstanding the spoiling of two very promising crops (1894–95), there has been no real discouragement of wheat growing in the Argentine Republic. On the contrary, the acreage of wheat has increased 30 to 40 per cent. since the big crop of 1893.

28. Again, Mr. de R. Brett, who is a farmer and large owner of property in the province of Santa Fé, and has been a resident in the Republic for 35 years, gave

Taylor, 40,968.
Brett, 43,083,
43,201, 43,207.
Harris, 3447,
4980.

Foreign
Office, An-
nual Series,
1897. No.
1839.
Page 20.
Page 22.

Brett, 43,141,
43,535–43,551,
43,082–9, 43,324–7,
43,540.

us evidence with regard to the profit and advantage to be derived from the cultivation of "alfalfa," or lucerne, and the enormous area suited to its production, which was most remarkable.

He uses it for feeding cattle on a great scale. He claims that if cut for hay it will produce five crops in a year of from 10 to 12 tons per acre; that it will fatten double as many cattle as can be fattened on any land in any other country; that the best land will turn off one steer and a quarter and seven and a half sheep for each acre; that it is independent of drought, the roots of the lucerne growing into water 20 feet below the surface, and that he himself knows of 16 hundred square leagues adapted to the growth of this production, which is capable of producing such marvellous results in the feeding and production of cattle and sheep.

Brett,
43,550-63,
43,564-79,
43,540.
Brett,
43,580-2.
43,542.

29. Mr. de R. Brett is strongly confirmed in his opinions by the report of Mr. Peel, who quotes one of the largest sheep farmers in Argentina, Mr. Gibson, as follows:— Appendix II.

"There are still vast tracts of land in the north of the province of Santa Fé, in the territory of the Central Pampas, and all the south of the Republic capable of producing store stock at cheap prices, and as yet unpeopled. It is difficult, moreover, to indicate the limit of the lucerne-growing lands. Thus with, on the one hand, room to produce the store animal in far greater numbers than the Republic at present does, and at prices which can fall lower and still be remunerative to the breeder, and, on the other hand, the spread of the lucerne fields to receive this store stock and prepare it for the consuming market, I think I am almost justified in stating that the Argentine Republic can afford to undersell the whole world's meat trade and remain sole caterer."

30. With this evidence before us, it appears to us that the information we have received from the Argentine Republic is of crucial importance to the British farmer. We have dwelt upon it at some length because, if it is to be relied on, and we see no cause to doubt it, it points to that Republic as probably the most dangerous competitor to the farmers of this country in the future. Her capacity for boundless production, on the one hand, coupled with the fact upon the other that the prices at which she can export at a profit are regulated not by the market as with us, but by a higher or lower premium on gold in the Republic, appear to us to be factors of most formidable import in the future of foreign competition to British agriculture.

31. In view of the foregoing information, and taking Germany and France as typical of the most highly protected countries, it must be admitted that the results which are disclosed in these reports are not encouraging to the advocates of a policy of protection.

Whether and how far the agriculture of those countries has been aided and depression has been mitigated by the imposition of those duties we have no means of forming an opinion.

But it is impossible to study the admirable reports we have received without coming to the conclusion that in their case, at all events, protection has not afforded them security against severe agricultural depression.

33. From these reports it is abundantly clear, whatever may have been the case at home, that, with the exception of South America and India, the chief producing countries of the world have been suffering like ourselves from agricultural depression.

34. It appears to be more or less general in Europe, and in the Australasian Colonies, and to be specially severe in parts of the United States of America, where the condition of the farmer is stated to be as bad or even worse than it is in the United Kingdom, and from each and all of them comes the same complaint, viz., of a fall in prices, which has been for the most part continuous and progressive over a long period of years.

Clay, 8195, 8201,
8223, 8225, 8511-2.
Collins, 37,520-5.
Read, 16,072,
16,355-8.
Pell, 17,768.
Foxwell, 23,718.

35. For this complaint so widespread, so unanimous, and so prolonged, it seems to us, proceeding as it does both from protected countries and countries which adopt free trade alike, that, apart from foreign competition, there must be some other and some general cause which is common to them all; and such a cause, it is suggested by many of the witnesses, may be found in the great monetary changes which were made in certain countries in Europe and in the United States of America in 1873 and 1874.

36. Prior to that period, although free trade had been established for nearly 30 years, and foreign imports had been constantly increasing, English agriculture had enjoyed for many years a period of unequalled prosperity, culminating, it may be

said, in 1874; and it certainly is a singular coincidence that, from the moment when these changes began to take effect, agriculture in this country, with no other special change in her conditions, should become the subject of severe and of prolonged depression.

It is even more remarkable, perhaps, that among all the different countries whose condition we have examined, the only two who have not suffered from depression, due to a fall in prices, and of whom it can be said that their agricultural condition is flourishing, are countries either with a silver or a paper currency, like India and the Argentine Republic.

37. The nature of those monetary changes, and the mode in which they are alleged to have affected agriculture, have been placed before us by several witnesses whom we have examined, and the evidence we have received shows that public interest has been aroused, and is spreading in agricultural circles, on this subject.

38. We were much impressed by the clearness and ability with which our colleague, Mr. Everett, Professor Foxwell and others, explained to us their views upon "the monetary question," and it will be convenient, we think, to summarise the evidence on this point as briefly as we can.

39. The contention of the witnesses has been generally as follows:—

Foxwell,
23,595,
23,613-5.

Prior to 1873 the mints of the United States of America, of France, and the countries belonging to the Latin Union in Europe, viz., Switzerland, Italy, Belgium, and Greece, were open to the unlimited coinage of silver as well as gold. That is to say, if either silver or gold was brought by anyone to any of these mints, and the metal answered the required test, they were bound by law to return it to the bearer coined into full legal tender money, at the fixed rate or price per ounce.

Foxwell,
23,596-600.

Foxwell, 23,617,
27,078,
27,070, 27,078,
23,601,
23,602, 27,082.

Gold, roughly speaking, was to be coined at the rate or price of 3*l.* 17*s.* 9*d.* per ounce; silver at the rate of 5*s.* per ounce, making the ratio between the metals 15½ to 1; and all this mass of metal when coined, silver as well as gold, became at once, by law, available for the discharge of debt to an unlimited amount; and it was in this way that the volume of legal tender money in the world was steadily increased year after year, by silver as well as by gold.

40. These were the main provisions of the bimetallic law, which the witnesses allege had the following result:—

Foxwell, 23,599,
26,594, 26,601,
24,080, 24,079.
Everett, 18,187.
Foxwell, 23,600.
Everett, 19,000.
Foxwell, 23,758,
23,620-30, 23,753.

(a.) It gave to silver, as far as the law was concerned, a position of equality with gold; and the law created an unlimited demand for silver, precisely as it now creates an unlimited demand for gold.

(b.) All the silver in the world possessed a value, thus conferred upon it by the law, as "potential money," equally with gold wherever it could be found.

(c.) Except within very narrow limits, the relative value of the metals never varied, but remained practically steady for a vast number of years prior to 1873, no one possessing silver being willing to part with it for a lower price than could be obtained from any of the mints, which were bound by law to take it.

(d.) Although the law itself was limited to the countries referred to, the operation of the law was universal, and all the business and the commerce of this country, and the world, was conducted under its influence and full effect.

Everett,
18,902.

Foxwell, 23,603-4.
Everett, 18,440,
19,438, 18,908,
18,906.
Squarey, 7381-5.
Johnson, 7718,
7776-79.
Gibson, 53,687-92,
53,678-84.

41. That was the position as regards the metals prior to 1873. But in that year and in 1874 the position was entirely changed by the passing of measures hostile to silver in the United States and in the European countries, which effected, as the witnesses affirm, probably the most remarkable monetary revolution that the world has seen.

Foxwell, 23,604.
Everett, 18,903,
19,439.

The change began by the attempt of Germany, who up till then had had a silver standard, to convert it into a gold one.

Foxwell, 23,608-
23,613.
Everett, 18,908-
11, 18,906.
Farrer, 58,993.

42. Following upon the action of Germany, the mints of the other countries we have named were closed to the free coinage of silver in 1873 and 1874. Silver was thus deposed from the position which up till then it had occupied in conjunction with gold. It was deprived of the right of free coinage, which was first limited and then discontinued altogether, and the bimetallic system ceased to exist.

43. Two results of the first importance to agriculture, it is pointed out, have followed upon this monetary revolution:—

Foxwell, 23,638,
23,637, 23,644-5.
Everett, 18,912.
Foxwell, 23,638,
23,620.
Gibson, 53,661.

(a.) The appreciation of gold.

(b.) A wide divergence in the old relative value of the metals.

The first result has been explained as follows:—

Gold and silver combined, both of them being used as standard money up till 1873, were “the measure of value” until that date.

Everett, 18,978.
Baron Rothschild, 1870.

Since 1873 that function has devolved on gold alone.

“The measure of value,” being thus contracted, the prices of all things measured by it have contracted also, and prices therefore generally (measured in gold), are upon a lower level than they were. In other words, the purchasing power of gold has increased, which means, the appreciation of that metal.

Foxwell, 23,644–5.
Everett, 18,910–12.

44. The second result has followed naturally upon the first, because gold having appreciated while silver has remained practically constant, the necessary consequence has been a divergence between the old relative value of the metals.

Foxwell, 23,630–5.

It is alleged that silver has remained constant, because in countries with a silver standard, like India, before the closing of her mints, there had been little or no change in the prices of commodities, *i.e.*, the purchasing power of silver had practically remained the same.

Final Report, Gold and Silver Commission, Part I, Sec. 52 & 53.
Foxwell, 23,694–5.
Harris, 3447, 3451.

45. This divergence in the old relative value of the metals has steadily widened since then, until the ratio between gold and silver to-day is something like 30 to 1, instead of $15\frac{1}{2}$ to 1, which it used to be before.

Foxwell, 23,630.
Everett, 18,006.

It is this divergence, the witnesses maintain, which explains the fact that the producer in silver-using countries is able to send wheat to England at a profit, at 20s. a quarter, or even less.

Foxwell, 23,685.
Taylor, 50,175.
Harris, 3447–51, 4769–4773, 4818–4832.

46. The mode in which it operates was explained to us by the following illustration:—

Supposing that a sovereign will exchange for 20 rupees, where formerly it exchanged for 10, because the rupee has fallen from 2s. to 1s.

Foxwell, 23,686–9.

It follows that, although the gold price of wheat may have fallen very largely, quite possibly from 40s. a quarter to 17s., the Indian grower selling at that price will still be getting 20 rupees a quarter for his wheat.

Foxwell, 23,690–70.
Harris, 3440–51, 4769–72, 4818–32.

If silver prices have remained the same in India his 20 rupees will purchase for him as much, and are worth to him as much as they were before, and he is thus enabled to take a gold price for his wheat, which means disaster to the English farmer, but which makes no change in his position.

Foxwell, 23,696–23,700, Harris, 4772–74, 4818–32.

47. The same argument, it is urged, holds good with regard to wheat from Argentina, with this difference—that the currency in Argentina is paper instead of silver, neither of which have been subject to appreciation like gold; and it is emphatically affirmed by the witnesses that it is in reality, by this “currency cause,” that the market price of wheat is being artificially depressed in countries with a gold standard like England.

Foxwell, 23,871–2.
Taylor, 40,988, 50,025, 50,201.
Brett, 43,422–31, 43,063, 43,201, 43,307.
Harris, 3447, 4880.

48. It was also pointed out with reference generally to countries such as Argentina with a paper currency, that the re-establishment of silver would tend in any case to reduce the premium on gold; and that the substitution of silver for paper as the basis of their currency was one of the advantages which might be expected from the restoration of a practically stable ratio between gold and silver.

Foxwell, 23,871–2.

49. The general effect of the evidence on this point may be summarised, we think, as follows:—

Agriculture has suffered, and is suffering severely, from both of two results which have followed on the monetary changes which have been referred to.

1st.—From the general fall in prices which is expressed in the term “appreciation of gold,” and

Foxwell, 23,682, 23,706.

2ndly.—From the divergence in the value of the metals, which gives an artificial advantage to producers in silver-using countries.

Foxwell, 23,683, 23,706.

50. Further confirmation of the views which we have cited with regard to the effect of monetary legislation upon prices will be found in the interesting series of historical facts, which were given in evidence by our colleague, Mr. Everett. They related to a number of different periods prior to 1873, during which great changes occurred in the prices of commodities.

These changes he showed were accompanied by agricultural depression, or prosperity, according to the rise or fall in prices, and he traced them in each case very clearly to monetary causes.

The evidence on this point is included in the Minutes of Evidence, questions 18,794 to 18,878.

It embodies a concise and most interesting review of the position of the agricultural interest in Great Britain during the present century, and although it can hardly be quoted in full within the limits of a report, it will in our opinion well repay perusal, and deserves most careful consideration.

Lawes,
41,138,
41,139.

Mr. Everett's evidence on this point, we may add, is supported by the testimony of Sir John Bennett Lawes, who told us that the return to gold payments in 1820-21, by causing a great fall in prices, "had an immense effect on agriculture at the time."

Foxwell,
23,793.

51. Again, our attention has been called to the Report of the Royal Commission upon the Depression in Trade and Industry, published in 1886, of which the late Lord Iddesleigh was the Chairman.

In paragraph 72 in the final majority report signed by Lord Iddesleigh and 17 out of 23 of the Commissioners, the following expression of opinion with regard to the effect of the appreciation of the standard of value was pointed out to us:—

"We desire to give it a leading place, in the enumeration of the influences, which "have tended to produce the present depression."

Farrer, 38,783.
Report of the
Royal Com-
mission on
Depression of
Trade, par. 72.

So strongly were they impressed with the importance of this question to the interests of trade and agriculture, that they recommended its more complete investigation by a body of experts, and the Royal Commission upon Gold and Silver was appointed for that purpose.

Farrer, 38,668,
38,669.

52. In the report of that Commission published in 1888, to which our attention has also been directed, they came to conclusions of the first importance bearing upon this question.

They unanimously agreed—

Final Report,
Gold and Silver
Commission,
Part I., paras.
192, 198.

Id.

Id.,
Part II.,
par. 107.
Part III.,
par. 30.

1. That the maintenance of the ratio between the metals, which was practically stable for many years prior to 1873, was due to the operation of the Bimetallic system.

2. That the great divergence in the relative value of the metals which has occurred since then must be traced to legislation and the closing of the mints; and

3. That the maintenance of a ratio, which experience has shown to be possible in the past, would, under the necessary conditions, be practicable in the future.

53. These views were embodied in the following paragraphs:—192 and 198, Final Report, Part I., and paragraph 107 of the same report, Part II.:—

Id., par. 192,
Part I.

"Now, undoubtedly the date which forms the dividing link between an epoch of approximate fixity in the relative value of gold and silver and one of marked instability is the year when the Bimetallic system ceased to be in full operation; and we are irresistibly led to the conclusion that the operation of that system exerted a material influence upon the relative value of the two metals.

"So long as that system was in force, we think that, notwithstanding the changes in the production and use of the precious metals, it kept the market price of silver approximately steady at the ratio fixed by law between them, viz., $15\frac{1}{2}$ to 1."

Id., par. 198,
Part I.

"The action of the Latin Union in 1873 broke the link between silver and gold which had kept the price of the former, as measured, by the latter constant at about the legal ratio; and when this link was broken, the silver market was open to the influence of all the factors which go to effect the price of a commodity."

Id., Part II.,
par. 107,
Part III.,
par. 30.

"We think that in any conditions fairly to be contemplated in the future, so far as we can forecast them from the experience of the past, a stable ratio might be maintained, if the nations we have alluded to were to accept and strictly adhere to bimetallism at the suggested ratio.

"We think that if in all these countries gold and silver could be freely coined and thus become exchangeable against commodities at the fixed ratio, the market value of silver, as measured by gold, would conform to that ratio, and not vary to any material extent."

54. These paragraphs were signed by all the 12 Commissioners; but two of them, while admitting in a subsequent memorandum that the ratio adopted might be maintained for a considerable time, expressed their doubt whether any given ratio could be permanently maintained.

55. So far we have dealt with the evidence which points to monetary changes, as a prominent cause of agricultural depression; but we have also examined witnesses who differ from that view, the chief of whom have been Lord Farrer and our colleague, Sir Robert Giffen.

56. Lord Farrer was vehement in his repudiation of the views which had been urged by the bimetallic witnesses, and the evidence he gave in reply to their contentions may be summarised as follows :—

He began by disputing the allegation that gold had appreciated, objecting to the term, and affirming that “it was nonsense to talk of a general appreciation of gold,” when many things (including labour) which are measured in gold have risen and not fallen, and he cited, in support of his views, Professor Erwin Nasse ; Professor Falkner and Mr. Carrol Wright, official statisticians in the United States of America ; and the report of the Committee of the Senate of the United States on wholesale prices, dated March 3rd, 1893.

Farrer,
38,280,
38,309.

Farrer,
38,310.

57. This argument, however, in our judgment, is refuted by the evidence, both of Sir Robert Giffen and Professor Foxwell.

Foxwell, 26,722-
32, Giffen, 18,803
-7.

58. Lord Farrer denied that agriculture was suffering from causes connected with the gold standard. He differed from the view that the English producer is injuriously affected by the divergence in the relative value of the metals, and he further maintained that prices generally had not been affected by either of these two causes.

Farrer, 38,487,
38,908, 38,480-1.

Farrer,
38,803.

He asserted that bimetallism was impracticable, and that the ratio between the metals could not be maintained.

Farrer, 38,517,
38,489-91, 38,498,
38,655.

59. Lord Farrer was also responsible for the following statements:—(1) that the abandonment of the gold standard would be a cruel and a wicked robbery of labour, and (2) that it was little less than wicked to attempt to persuade poor farmers that they would be better off by giving them more counters, by which we understood him to mean an increase in the supply of money.

38,520.
38,880.

60. We were unable to follow very clearly the reasoning by which these latter conclusions, which appear to us to be conflicting, were supported.

If prices were not affected, as the witness has contended, by any changes in the standard or in money, we do not understand why a reversal of those changes now should inflict any robbery, “cruel” or otherwise, on labour.

Farrer,
38,803.

If, on the other hand, such a policy would tend towards a rise in prices, we do not perceive the wickedness of attempting to persuade the farmer that he would benefit thereby.

61. With regard to the remaining allegations of the witness which we have enumerated, the effect of his evidence was diminished by the fact that many of those contentions were more or less in conflict, as it seemed to us, with the purport of a number of different statements, contained in various paragraphs of the Final Report of the Gold and Silver Commission, to which the witness had attached his name, as a member of that body ; and some of which we have already quoted.

Farrer,
38,804-8.
Farrer,
38,837,
38,865.

62. The evidence which we received from Sir Robert Giffen was in some most material respects entirely opposed to that of Lord Farrer ; so long ago as 1872 he told us that he had anticipated a general fall in prices, and had indicated his opinion in his writings at that time that a fall was approaching, and as a matter of fact, it occurred very shortly after 1873—a fall, we may observe, which has greatly occupied the public mind since then, as well as the mind of this Commission. He was, we believe, among the first of the students of this question to call attention to the fact that the fall which then began was to be accounted for to some extent by a relative contraction of the standard of value, as compared with the period just before 1873.

Giffen,
18,077-82,
18,083-4.

59. Again, we find in 1882, from the evidence of the Duke of Richmond's Commission upon Depression in Agriculture, which we have had before us, although the subject appears to have entirely escaped the observation of the Commissioners at that time, that the same witness directed the attention of that Commission to the fact that the fall in prices, which was still proceeding, was to be accounted for by the same cause, viz., “the scarcity of gold, which had been felt for the last ten years or so, ever since the German Government began to take steps to have a gold coinage.”

Duke of
Richmond's
Commission,
Mins. of
Evidence,
Ques. 64,789

60. In the interesting evidence which he has given to this Commission very similar opinions are expressed.

Agricultural depression by general admission being mainly caused by the fall in prices of agricultural produce, the average fall in agricultural prices, as in the prices of other commodities, is attributed by the witness chiefly to the contraction of money, in this case of gold. That contraction being due, in his opinion, to an

Giffen, 18,564,
18,565, 18,063,
18,328, 18,330,
18,332, 18,335,
18,621.

increased demand for gold, which again is ascribed by the witness partly to the change from a silver to a gold standard by Germany in 1873.

23,678,
23,880. 61. Up to this point there appears to be but little, if any, difference of opinion between the views of Professor Foxwell and Sir Robert Giffen.

18,173-4, Sir Robert Giffen, however, differing in this from Professor Foxwell, expressed the view that, owing to the great increase of gold production in the Transvaal and elsewhere, a period of rising prices might not be far off. He was also of opinion that the appreciation of gold was not chiefly due to legislation, and upon other important questions, arising in the evidence upon this subject, he was opposed to the views of Professor Foxwell. He denied that the proposals put forward by the bimetallic witnesses were practicable, and even if practicable, he affirmed they would be inexpedient and undesirable. He held that there was no experience to show that Governments could regulate the price at which the two commodities, gold and silver, would exchange with each other, and that even if legislation was carried for the purpose, there was no assurance that people or communities would abide by it.

Giffen,
18,572.

Giffen,
18,592-99.
18,571-3. 62. We also understood him to dispute the view that the stability of the ratio prior to 1873 was due, as alleged in the unanimous Report of the Gold and Silver Commission, to the operation of the bimetallic law, or that a ratio could be maintained by legislation in the future, and he was strongly of opinion that nothing which has happened in the fall of prices pointed to the necessity or expediency of any change in our standard money.

Giffen,
18,206.

63. In the foregoing paragraphs we have tried to summarise the evidence upon both sides of the question whether and how far agricultural depression is to be ascribed to monetary causes, and we now proceed to state the opinions we have formed.

64. But in doing this we must observe that, in our judgment, this is a question for investigation by a body of experts rather than by this Commission. We shall not attempt to formulate, nor do we think it any part of our duty to suggest, any plan or definite proposals with regard to it, and the opinions we express are submitted with becoming diffidence, on a highly controversial and complicated subject.

65. But after considering the whole of the evidence which has been adduced on both sides of the question, we are unable to resist the following conclusions :—

If it be true that an increase of money raises prices, and a diminution lowers them—and we are not aware that anyone disputes that proposition—then it seems to us that prices must to some extent have been affected by the changes which resulted in the closing of the mints to silver, and that a *prima facie* case has been established in support of that contention.

Neither do we think that the views which have been urged upon us, with regard to the effect of the divergence of the metals, in the case of articles, like wheat, for instance, which are exchanged between gold and silver using countries, have been successfully disputed; and upon both these points we are supported in their report, by the unanimous opinion of the members of the Gold and Silver Commission, who expressly refer to the disadvantage under which the English grower of wheat for the time is placed, as compared with the Indian producer.

Farrer, 38,805,
38,814, 38,817,
38,837.
Final Report,
Gold and Silver
Commission,
Part II., par. 99,
Part III., par. 9,
Part II., par. 87.
Farrer, 38,817-
38,834.

66. We concur in their opinion.

We believe that the producer in the silver country does enjoy an advantage over his competitor in England. That he is enabled by the fall in the exchange to take a lower price for wheat, without detriment to himself, than his competitor in England; and that pending a general adjustment of prices, which has not yet occurred, and which may be still remote, that advantage must continue.

67. We also think that the price of wheat in England is being, and has been for several years in consequence, artificially depressed; and all that we have said on this point applies with equal force to countries with a currency of paper, which has not been the subject of appreciations, like gold.

69. If the evidence on these points is of any weight at all, and it seems to us that it is impossible to ignore it altogether, it would probably to some extent account for the abnormal fall in the price of wheat which we have seen in recent years with such disastrous consequences to ourselves and to many other countries in the world; and we regard it as a matter of grave importance to the future of the agricultural interest which calls for serious attention.

70. Throughout the course of this inquiry, it has been made abundantly clear to us—firstly, that the gravity of the agricultural situation over wide districts, in many parts of England can scarcely be overrated; and secondly, that the cause which lies at the very root of all the trouble is the heavy and, for the most part, the progressive fall in prices which we have witnessed now for many years.

71. It is true that there has recently been a tendency to a rise, especially in the case of wheat, with regard to which the advance was sudden, rapid, and considerable; but we greatly fear that in the main it must be traced to the loss through drought of the entire wheat crop over vast areas in India, and to the coincidence of shorter crops than usual in some of the other great wheat-producing countries in the world.

And when it is remembered that India, with the exception of Russia and the United States of America, was until quite recently the largest wheat-exporting country in the world, and is now importing that commodity for her own requirements, it is not difficult to account for the considerable rise which so suddenly and rapidly occurred.

But in all the information which we have before us we are unable to find anything which points to the conclusion that the recent rise in prices will be permanent in character, and in the case of wheat it has already been succeeded by a considerable fall.

72. Notwithstanding the view which we have taken with regard to prices, we are aware, of course, that in localities exceptionally favoured by reason of situation, of climate, or of soil—where the land is of superior quality, or where, for instance, a large part of a farm consists of grass and the labour bill is small—or, again, where it is specially suited to dairy-farming or to market gardening, with convenient access to a market, farming in such cases may still be conducted at a profit. It is likewise true that for the best and the most desirable holdings in the more favoured localities, there is, and probably always will be, a demand. But these are, unhappily, the exceptions, and not the rule.

73. On the other hand it is our duty to state as plainly and emphatically as we can that in those vast districts, in the eastern, the southern, and some of the midland and the northern counties, to which we have referred at length in the earlier part of our report, and where depression has been greatest, a recurrence of the prices which prevailed until the autumn of last year, and still more any further fall would assuredly result in a condition of general ruin and disaster which we cannot contemplate without dismay.

74. If we are right in these impressions, it becomes a question of supreme importance to consider and to ascertain by what means and from what quarter it is possible that relief can be obtained.

75. We have considered the question of protection, but for the reasons we have given, we confess we are not sanguine of a remedy in that direction.

76. We have also made a number of recommendations upon a variety of matters which have been summarised in the Report that we have signed, all of which appear to us to be good and desirable in themselves, but it is not contended that they affect the question of depression, which has been due to a collapse in prices.

77. There only remains, so far as we can judge, the question whether, and how far, relief is possible by a reversal of the monetary policy, to which so many of our witnesses attribute the disaster which has fallen upon agriculture. But a change in this direction could only be accomplished by an international arrangement.

78. What should be the terms of the arrangement, and to what extent this country should engage in it, either directly or by her Indian possessions, it is not for us to say. Indeed it is a question which involves such grave considerations and affects so many and such diverse interests, that we hesitate to pronounce an opinion upon it. But we are persuaded that it is a subject of the gravest interest to the agricultural future of this country.

79. We do not suggest that the gold standard should be abandoned in this country, but we think that if a conference of the Powers was assembled, and that their deliberations resulted in an international arrangement for the reopening of the mints abroad and in India, and the restoration of silver, either wholly or partially, to

the position which it filled prior to 1873, it would be of the greatest benefit to the industry of agriculture.

80. With the object therefore of promoting such a conference, we think that Your Majesty's Government should heartily co-operate with Foreign Powers, and thereby give effect to the unanimous resolution of the House of Commons on the 26th February 1895, which we desire to endorse.

81. We think that if an international arrangement for the purposes which we have specified was arrived at, the long continued fall in prices, which is the admitted source of agricultural trouble, would be checked, and that if there should be any future movement in the course of prices, they would tend to rise rather than to fall.

82. We make this recommendation, after a prolonged and careful consideration of the grave question which has been referred to us, because we are unable to perceive the signs of any spontaneous and permanent change in this direction, and we see no other prospects of arresting that constant and progressive fall in prices which by universal admission has been the cause which lies at the root of agricultural depression.

All of which we humbly submit for Your Majesty's most gracious consideration.

(Signed) HENRY CHAPLIN.
WALTER H. LONG.
R. NIGEL F. KINGSCOTE.
CHARLES ISAAC ELTON.
OWEN THOMAS.
C. N. DALTON.
ROBERT LACEY EVERETT.
JOHN GILMOUR.
WILLIAM C. LITTLE.
CHARLES WHITEHEAD.

June 25, 1897.

RESOLUTION.

At a meeting of the Commission held on Tuesday, June 1st, 1897, the following resolution was unanimously agreed to:—

"That we wish to record our sense of the admirable manner in which the Secretary, Mr. Herbert Lyon, and the Assistant Secretary, Mr. Crawford, have discharged their duties under circumstances of unusual difficulty."

Reservation by Viscount Cobham.

As one of the Commissioners appointed to administer the Railway Traffic Acts, I do not think that it is desirable that I should express an opinion either for or against the conclusions in this Report on the subject of railway rates.

(Signed) COBHAM.

Reservation by Lord Rendel and Sir Robert Giffen.

In signing the foregoing report we have to note the following passage (page 158, paragraph 610), "and, lastly, farmers generally will soon begin to profit by the relief afforded to them by the Agricultural Rating Act, 1896, passed by Parliament upon the recommendation of this Commission." Our signatures cannot be regarded as endorsing the passage quoted, since not only did we not concur in the recommendation to which reference is made, but in a counter report, submitted together with the report containing the recommendation, we fully stated our adverse views upon the whole question.

(Signed) RENDEL.
R. GIFFEN. ■

Reservation by Mr. Chaplin, Viscount Cobham, Mr. Dalton, Mr. Elton, Mr. Gilmour, Sir Nigel Kingscote, Mr. Little, Mr. Long, and Mr. Whitehead.

We dissent from paragraph 15. We think that the question of land tenure was examined with sufficient fulness both in England and Wales, and that the paragraph in question may be calculated to mislead.

(Signed) HENRY CHAPLIN.
COBHAM.
C. N. DALTON.
CHARLES I. ELTON.
JOHN GILMOUR.
R. NIGEL F. KINGSCOTE.
WILLIAM C. LITTLE.
WALTER H. LONG.
CHARLES WHITEHEAD.

Reservation by Mr. Chaplin and Mr. Long.

We agree in the opinion that further legislation in regard to the adulteration and fraudulent sale of food products is requisite, but we are not satisfied that the adoption, in their entirety, of the recommendations contained in paragraph 608 would be of advantage to agriculturists.

(Signed) HENRY CHAPLIN.
WALTER H. LONG.

Reservation by Mr. Chaplin.

I am not altogether in accord with the conclusions in paragraph 553 upon the question of commercial gambling. In view of the evidence given by some of the witnesses who have had great practical experience as buyers of wheat, I am not prepared to pronounce an opinion against further investigation of the subject.

(Signed) HENRY CHAPLIN.

Memorandum by Sir Robert Giffen.

Having given evidence myself before the Commission regarding the fall of prices in the last quarter of a century, and against bimetallism as a remedy for agricultural depression arising from that fall, I have no desire to comment in this report on the evidence given by other witnesses on the same subject, and I believe there is no occasion to do so. It may be of some use, however, seeing that the Commission as a body has not dealt with these matters, if I make a short statement of my views as to the present position of the discussions regarding them.

First.—It is a great misfortune, I consider, that some monometallists, as appeared in the course of the evidence before this Commission, have refused, and still refuse, to recognise the general fall of prices in the last quarter of a century as being, in economic language, an appreciation of gold, and as being explained by a contraction of gold (*as compared with a previous period of expansion*), which commenced about the year 1873. The facts are all beyond dispute, and if language is only used with the ordinary meaning, as employed by economists like Adam Smith and Jevons, and many others who have discussed historic changes of prices, no one would say for a moment that there has not been an appreciation of gold in the last 25 years, and that this does not necessarily involve, dealing with the matter historically, a contraction of gold. All this can be said, also, without implying any objection to the proposition so largely supported in the main report, that foreign competition is *the* cause of the present agricultural depression, and that the progress of invention, cheapening of means of communication, and the like influences are to be regarded as permanent

causes of lower and lower prices. There is nothing inconsistent between this latter view and the view that the contraction of gold during the last quarter of a century is connected with the course of prices. The crux of the question is, that whereas for 20 years before 1873, owing to the state of the gold supply and demand, the progress of invention, cheapening of means of communication and the like influences were attended by no general fall of prices, but prices rather advanced, now, owing to the difference in the conditions of gold supply and demand, the progress of invention, cheapening of means of communication and the like influences, have been accompanied by a fall of prices. In other words, the phenomenon to be explained is why the causes referred to produced no fall of prices before 1873, but were even found consistent with a rise, and why they produced a fall after 1873. In insisting so much, then, on the progress of invention, &c. as causing a fall of prices in recent years to the exclusion of all reference to money conditions, monometallists give their case away. They assail that very portion of the bimetallist case where bimetallists have the authority of almost every economist who studied the history of prices prior to the recent controversies, and they weaken their general position by so doing. They should have attacked bimetallist exaggerations only on this head, and not the general case of gold appreciation. Having written on the question of the fall of prices, not only before the present bimetallic controversy began, but in anticipation of the fall of prices itself, my reasons for anticipating the fall being based mainly on monetary considerations, although the question of the progress of invention and multiplication of commodities was not, and could not be overlooked, I have especial cause to regret that some of my monometallic friends, in their eagerness to overwhelm bimetallists, have treated every statement as bad which bimetallists used. This evident weakness in the monometallist arguments has been the main reason, I believe, why the bimetallic agitation has continued so long.

The *second* observation I have to make is on the difference in the rates at which the decline of prices since 1873 has progressed at different dates. The decline was at a much greater rate in the beginning of the period than it has been in recent years. This fact is referred to in the above report, but important conclusions are to be drawn from it, and I believe, therefore, it is important to emphasise it.

If we take Mr. Sauerbeck's Index No., which is perhaps the most convenient for such discussions, we find that if we divide the period since 1873 after which the fall of prices took place, into five years' intervals, we get the following table :—

	Index No. at Beginning and End of following Periods.		Fall.	
	Beginning.	End.	Amount.	Per cent.
1873-78 - -	111	87	24	21½
1878-83 - -	87	82	5	6
1883-88 - -	82	70	12	14½
1888-93 - -	70	68	2	3
1893-97 (four years) -	68	62	6	9

Thus the extent of the fall has been much less lately than it was at the beginning of the period, and although the fall is still material, especially if we reckon by per-centages which take into account the smaller price from which the decline lately has been reckoned, it is obvious also that we are no longer in presence of the catastrophic changes which marked the beginning of the period. There is a relaxation in the decline, and there have at times been appearances as of a new start upwards commencing. Apart from other explanations this is in accordance with what theory would have led us to expect. A general change of conditions such as occurred about 1873 tends to bring about adjustments at once; there is a change of level, and then the subsequent movements are less violent.

The conclusion is that the farther we are removed from the period of violent change beginning in 1873, the less necessity on any ground and the less possibility of an artificial change backwards, supposing a change to be possible at all. The course of the Index No. in 1878-83, and again in 1888-93, as in the above table, showing in each period of five years a fall of a few per cents. only, is not of a kind to involve a great redistribution of wealth, and is not more than occurs frequently in the usual oscillations of good and bad credit. Even a change in five years of 14½ per cent., such

as occurred in 1883-88, does not go beyond the limits. Although, therefore, the fall in prices in the first few years after 1873 was disconcerting, and the effect has been aggravated somewhat by the almost continuous slower decline that has since taken place, yet there is no doubt that business generally has been adapting itself to the new conditions, and the later effects are not to be compared with the first. A catastrophic change like what happened before must be considered on broad grounds to be most improbable at any early date. Consequently there is no necessity for a violent change backwards, if such a change were possible, as seems to be desired by many. The possibility of artificial change is also diminished by the lapse of time. A change upwards now would disturb almost as much as the change downwards did in the first few years after 1873.

The different rates of the decline also affect our interpretation of the evidence as to the cause of the decline itself. The suddenness of the change points to something which happened in the first few years after 1873 as the cause of the change. It is impossible to suppose that the cheapening of communication, progress of invention, and the like causes operated in the years 1873-78 in a way quite unlike their operations in the years 1868-73 or any previous period of five years after 1850, when prices were almost steadily rising. This confirms the opinion which was universally held in the city while the fall of prices in 1873-8 was taking place, that the progress of invention and the like causes which had failed to produce a fall of money prices from 1850 onwards succeeded in producing the fall after 1873, when the circumstances of gold contraction, which began in 1873, were in full operation. That the decline has been at a less rapid rate since 1878 also agrees with the facts that since then there has been less marked gold contraction, and now there is even a tendency to gold expansion. But less contraction in recent years than there was, and expansion at the present time, are, of course, consistent with a previous great contraction, such as undoubtedly took place between 1873 and 1878, when Germany on the one side substituted a gold for a silver standard and currency, and the United States on the other side replaced its inconvertible paper by gold. It is most illogical to refer to these recent facts (though this is sometimes done) as if they contradicted the fact of contraction between 1873 and 1878.

As bearing on the subject of our reference, also, it is important to observe that a good deal of the decline in agricultural prices, especially of meat and dairy produce, has been in the more recent and not in the earlier period. The decline here of late appears to have been rather more in proportion than the decline in wholesale commodities generally, and has helped to bring down the average. This special decline in agricultural products is a reason for dwelling specially, as has been done in the above report, on foreign competition, and not so much on the monetary causes of changes of prices.

Third.—I need only say a few words on the question of bimetallism as a remedy for the fall in prices.

I hardly think this is a subject to be discussed in connexion with depression in a particular industry at all. Questions of standard money and currency, as they affect and concern all the industries of a country and the daily life of every person, can hardly be considered by a Commission dealing with one industry only, or one group of industries like agriculture, however important, which only comprise after all about a tenth of the population of Great Britain. Clearly, also, bankers and other members of the community are specially concerned with problems of money and currency, as agriculturists are not. The Commission accordingly found as a body that, if they had pursued the inquiry in the direction of the possibility and practicability of such a remedy as bimetallism for agricultural depression, they would have had little else to inquire into, yet without an adequate number of bankers and others specially concerned on their body and willing to come forward as witnesses their inquiry would have been quite in the air.

But, while holding the above views, I think it is also obvious that essentially what is called bimetallism or any monetary remedy which would produce a general rise of prices would not be a remedy for agricultural depression. By the hypothesis of those who put forward such remedies the rise of prices they contemplate is to be quite general and is to extend to wages and all other payments. It is quite clear then that any remedy of this sort will in the end be merely nominal. No real relation will be affected. In the end, if prices are doubled, all the outgoings will be doubled too—wages, rent, and every other payment—and the larger money surplus the cultivator will have will go no farther than the smaller money surplus before the change is made. And so of any smaller change; it will be a nominal change only. Foreign competition

will go on as before at the higher nominal range of prices and wages. Clearly, then, no money change, altering the range of prices, will affect agricultural depression permanently. It was admitted, indeed, by some of the witnesses like Mr. C. S. Read that the tenant farmers expected to gain something in the transition stage, but remedies of this extensive nature are clearly not to be attempted because somebody is to gain in the transition if no permanent good is to be effected.

It was contended, indeed, by Mr. Foxwell and other witnesses that a condition of perpetually rising prices, if it could be brought about, is more favourable to production than the opposite condition of a course of prices such as there has been in the last 25 years; but no evidence from experience or statistics was given in support of this view. Theoretically, for reasons I have given elsewhere,* I am of the contrary opinion. But, even if Mr. Foxwell's view could be supported by academic reasoning, the arguments are not of such a kind as to form a foundation for dealing with monetary problems on different principles from those which have been applied in the English monetary system, in which the main object has simply been to get a standard money of the precious metals as articles capable of easy definition and division, and of great durability and portability, and not liable to change greatly in value over short periods—the essentials of good money. To engage in academical speculations such as Mr. Foxwell suggests would itself be a deviation from the principles to be followed in creating, developing, and continuing a sound monetary system.

For the present, then, it appears to me unnecessary to deal with all the questions involved in the bimetallic argument. The objections on monetary grounds—viz., that a bimetallic standard is impossible; that the attempt to introduce it internationally or otherwise in this country would cause the gravest injury to wide interests and produce great inconvenience in the daily business of life, and that no good could possibly come of it—need not here be pressed. It is sufficient now to point out that no monetary remedy of the kind described could be a cure for agricultural depression.

Fourth.—The last point I have to observe upon is the probability of some recovery in prices before long, referred to in my own evidence. My evidence was given in April in 1894, three years ago and rather more; and I have to acknowledge that the recovery of prices which I then looked forward to has not only not taken place, but the movement so far has been in the opposite direction. It would be out of place here to discuss at any length the pros and cons of the matter, as the position since 1894 remains substantially unchanged, and I see no reason to modify my opinion. The increase of the gold supply has certainly been of a remarkable kind during the last few years. The annual production is doubled almost as compared with the year 1879, when I wrote my first paper calling attention to the probability at that time of a contraction of gold being at work on prices, and supplementing previous papers in which I anticipated that that effect would be produced. There are also no heavy demands for gold of a special kind, such as those for Germany and the United States, which were in existence in the period from 1873 to 1879. It would not be true to say that the abundance of the production and supply at present as compared with the period immediately preceding is relatively as great now as it was in the period of the Australian and Californian gold discoveries. Still there is relatively considerable abundance of a kind, and as like causes produce like effects I should still anticipate that on the whole the abundance of the present moment must have an influence either in retarding the fall of prices which has continued so long or in setting up a new rise of prices. Indeed it may be considered that the retardation of the decline of prices of late years is already one of the results of the increased abundance of the supply of gold. The question, however, is one of the degree of effect, and measuring roughly, which is all that it is possible to do in such matters, I hardly think that the degree of effect on prices as yet quite corresponds to the abundance of the gold supplies at the present time. Time only will show whether a greater effect will be experienced. In any case so long as the gold production continues to increase, as it has done during the last few years, we can hardly anticipate a new fall of prices such as took place between 1873 and 1879.

To guard against misconstruction, I should like to repeat that the question of foreign competition is entirely different and is not involved in these discussions of changes in the general level of prices, raising the problem of the depreciation or appreciation of gold. Foreign competition in my view will make itself felt whether the general level of prices and wages goes up or down. Here the question is one of

* See my *Essays in Finance*, second series, p. 89. The essay here referred to was written in 1879—long antecedent, therefore, to the present controversies.

the real relations between foreign cost of production and home cost of production and if foreign articles of agricultural produce are produced at a less relative real cost in labour and profit than English articles, then foreign competition will tell, whatever the scale of money wages and prices may be. The question of a general rise or fall of prices and wages connected with monetary conditions is obviously one of great speculative interest. Whatever happens some redistribution of wealth will always be going on from such causes. But the problem is not at all of the same order as that of foreign competition, and should not occupy the minds of those who are interested in agriculture in the same way.

(Signed) R. GIFFEN.

Memorandum by Mr. John Gilmour.

In connexion with the proposals made in the Final Report for the amendment of the Agricultural Holdings Acts, I should have desired to have seen included in the list of recommendations one to the effect that—

A landlord should be entitled to make a claim under these Acts, whether a claim has been lodged by the tenant or not, and that the amount of claim recoverable by a landlord should not be limited, as at present, by the amount claimed by a tenant.

I consider it would have been well had a more definite opinion been expressed by the Commission as to the most suitable date for and mode of lodging claims under the Acts by landlords and tenants. Many witnesses stated their preference for both claims being lodged on the same day, holding that by so doing exaggerated counter-claims would be done away with. I desire to state my belief that the proposal, if acted on, would have quite an opposite effect. The landlord, being entirely in the dark as to the nature of the tenant's claim, would in most cases be advised that it was necessary his counterclaim should not be under-stated, at any rate. I believe in most cases, where reasonable claims are made by the tenant, the landlord, having knowledge of this, would frame his counterclaim in the same spirit.

Under a system of simultaneous claims, all opportunity of this would be done away with, and I would advise that the tenant's claim be lodged with the landlord or his agent sixty (60) days before the termination of the tenancy, and the landlord's counterclaim be lodged with the tenant thirty (30) days before the termination of the tenancy, with power to the landlord to amend his claim in regard to dilapidations fourteen (14) days after the termination of the tenancy.

I consider the proposal to schedule the dilapidations for which a landlord may claim compensation to be unnecessary. A landlord can only claim for damage or deterioration to his property, whatever it may be. If an attempt is made to schedule this property, some very general clause would have to be inserted, virtually covering the entire property of the landlord with which the tenant had to deal.

I should have preferred that the last three paragraphs, 552, 553, and 554, of Chapter X., on commercial gambling, had been omitted, and in view of the very marked interest taken by large bodies of agriculturists in this country and the action taken, not only by the countries named in the report, but by others, I should have desired to have seen a paragraph inserted emphasising the last sentence of paragraph 551, and calling upon the Government to go carefully into the question, and, more pointedly than is done in the report, declaring the importance of a close observance by proper authorities in this country of the result of any legislation in other countries dealing with this matter.

(Signed) JOHN GILMOUR.

Memorandum by Mr. John Clay.

While generally concurring with the report, I desire to submit a short summary of the independent conclusions at which I have arrived from a Scottish point of view upon the working of the Agricultural Holdings (Scotland) Act, 1883, and the suggested amendment of that Act, as well as on other questions bearing upon the future prosperity of British agriculture; and I feel it necessary to dissent from the contention running through the chapter on rent.

I.—AGRICULTURAL HOLDINGS ACT.

A.—*Procedure.*

It was common ground with all the witnesses examined upon this subject that the machinery provided by the Act was cumbrous and expensive, and absolutely failed to carry out the objects for which it was instituted. The procedure necessary to obtain the benefits of the Act should be simple and untechnical. In any new or amending Act readily intelligible forms should be provided, from which a tenant could himself prepare any necessary paper without the necessity of calling in and paying for legal assistance. Any defect or omission in procedure by the party claiming should not invalidate his claim if, in the opinion of the official referee, the opposite party is not prejudiced thereby in his defence to the claim.

B.—*Notice of Claim and Counterclaim.*

I consider that the present provisions for giving notice of claim and counterclaim should be abolished, and in my opinion no alternative course should be suggested.

C.—*Schedules appended to Act.*

I agree with the contention that these schedules are unnecessary and should be swept away. It appears to me that the contention that drainage and permanent pasture should be put on the same footing as the improvements referred to in Schedule 3 is unanswerable. So far as drainage is concerned, the tenant has already power to execute the improvement on giving the landlord notice to that effect, unless the landlord, after receiving such notice, decides to execute such improvement himself and to charge the tenant interest upon the sum expended. It is not likely that a tenant will expend money on such an improvement, unless with benefit to his holding and himself. So far as permanent pasture is concerned, it has been abundantly shown by the experience of recent years that to execute such an improvement is greatly to the benefit of the holding and adds considerably to the letting value thereof. It is quite true that the tenant who executes such an improvement can to some extent reap the benefit by ploughing up the pasture in the last years of his lease; but this is doing the very thing which the Agricultural Holdings Act was passed to prevent. In the evidence given most of the witnesses conceded that with regard to improvements specified in Schedule 1, such as buildings, &c., the landlord should be protected from an extravagant or wasteful tenant erecting buildings which were not necessary or did not add to the value of the holding. But it was shown that the landlord would be sufficiently protected from such a contingency if he had power to call in an official valuator to determine whether the contemplated improvement, or any part thereof, was really necessary. In the event of the valuator deciding against the proposed works, and the tenant nevertheless proceeding to execute unauthorised works, then in such a case there would be no claim for compensation. On the other hand, if the tenant executed unauthorised works which in any way deteriorated the holding, the landlord should have a counterclaim therefor.

D.—*Official Valuers.*

I think it has been clearly established that the present system of appointing valuers under the Act is wholly unsatisfactory. In the supplementary memorandum to the report of the Royal Commission on Agriculture in 1882 lodged by me, the following clause occurs:—"Compensation for ameliorated condition being admitted, the report should, in my opinion, have recommended a course by which values could be assessed. The natural course seems to me to be by arbitration with a referee appointed by the Government in each district to act as oversman in case of the arbiters differing in opinion, such a referee to be a practical agriculturist engaged in farming; or, the appointment of a referee might be placed under the jurisdiction of the Enclosure Commissioners." Since the date of that report my views on this subject have been strengthened and extended. It is absolutely essential that the valuers appointed under the Act should be strong and independent men, who have been for a considerable period of their lives, and are at the time practical agriculturists; and it is clear that the more judicial the functions of such valuers the weightier will be their judgments. I am strongly of opinion that the only satisfactory solution of the difficulty is to be found in appointing official valuers for different

districts or groups of counties in Scotland. The country could be so divided that five or six valuers (or more if the work became heavy) would overtake the whole of Scotland. The appointment of these gentlemen should not come from any local authority, but from a department of the State, such as the Board of Agriculture. I do not consider that the men appointed must necessarily be local men, as such men are often unsuitable. As it is desirable that such valuers should be absolutely independent of the parties who come before them, I consider that they should be paid by the State on a scale which could be drawn up and fixed on the same lines as is proposed under the Workmen's Compensation Bill at present before Parliament. The claimants, on the other hand, would pay to the Government a percentage on the amount of the sums claimed. Valuers in the past have unfairly divided the expenses of the reference between the parties. I consider that the party who is unsuccessful or least successful in his contention before the valuer should be saddled with the whole or a share of the whole expenses in proportion to his non-success in substantiating his claim. I think there is great force in the suggestion that these valuers, together with the sheriff of the most important county of Scotland, should form a Court of Appeal, to which the decisions of individual arbiters could, if necessary, be submitted for review. The conflict which is apt to arise between the decisions of individual valuers would thus, to a large extent, be avoided.

I am also in favour of the suggestion that provision should be made for having appeals under the Act, so far as relating to questions of law, adjudicated upon by the Supreme Court, by having a case prepared and stated for the opinion of that court. In appeals from the judgments of magistrates in Scotland a simple form of appeal is provided, and a similar power of appeal might with advantage be given under the Agricultural Holdings Act. A decision obtained in this manner would be a precedent for the guidance of valuers in future.

E.—*Landlord's Counter-claim.*

As suggested in the principal report, the right to counter-claim under the Act should be restricted, but I would go further and say that where a landlord claims for deterioration under the Agricultural Holdings Act, he should be precluded from making any claim at common law or *vice versa*. When he claims at common law he should be precluded from claiming under the Agricultural Holdings Act. If a landlord should not care to claim under the Act, then it would only be proper and equitable that his claims at common law should be preserved to, and enforceable by, him.

F.—*Increased Fertility.*

After experience of the present Act, and from the evidence which has been led before the present Commission, the principle which I consider should be recognised in any new or amending Act appears to me to be this: that any and every improvement which increases the productiveness of the farm and adds to its letting value should be duly compensated. I consider that recognition of this principle is urgently called for, and in such a manner that valuers cannot in the future go astray as they have done in the past. I confess to seeing no practical difficulty in the method which has been suggested for the complete carrying out of the principle referred to, namely, that the official valuer should report on each farm at the beginning of a lease, and record in that report the then condition of the holding—a copy to be appended to the lease for future reference. It does not appear to me that any succeeding valuer would with that report before him, together with any additional evidence that he might call upon the tenant to produce, have difficulty in determining whether the farm had been improved or deteriorated in the interval.

It is equitable that if the tenant's claim for compensation for increased fertility is admitted the landlord's claim for decreased fertility should also be recognised.

G.—*Compensation to Sitting Tenant.*

From the evidence laid before the Commission it can be gathered that the success with which the Scottish farmer has been able to contend with the prevailing and continuing depression is largely owing to the fact that the majority of these farmers come under the category of improving tenants, *i.e.*, farmers whose practice it is to freely spend capital and labour in keeping their farms in a high state of cultivation. It has also been shown that no class of tenants has been more unjustly treated by the

restrictive operations of the Act, and that the criticisms levelled at the Act while it was a Bill before Parliament by Sir James Caird and others on this point have been fully warranted.

The tenant who has during the course of his lease by skilful and thorough cultivation, and the expenditure of capital in improving his holding, considerably raised the letting value of the farm, frequently finds himself at the end of his tack confronted with this position, that he must either pay the rent offered by the public or fixed by a valuator (in both cases that rent being based upon the condition of the farm at the time), or leave his farm. The tenant in this position is very much at the mercy of an unreasonable landlord, as he is partly from the associations with the farm which he has occupied for a term of years, and partly from the fear of loss consequent upon realisation and removal, possibly in bad times, frequently compelled to sacrifice the compensation to which he is entitled and remain on at an increased rent. While there are many outstanding instances of landlords who have in renewing a tenant's lease given equitable consideration to the improvements effected by him, it is not too much to say that rackrenting the tenant on his own improvements has been the rule rather than the exception. There are too many landlords or their representatives who remorselessly use the offers they may get from outsiders as a lever to raise the rent of the tenant to an extent greater than he thinks the circumstances warrant. It must be borne in mind also, that the principle applies not only to cases where there has been a distinct increase of rent, but even in the case where the rent may have fallen, for, as was well put by one of the witnesses, there may be and are cases where a farm held by an improving tenant has in adverse times fallen only 28 per cent., while farms occupied by tenants of a different character have fallen from 40 to 50 per cent. The question therefore arises to whom does the increased value owing to the improvement belong? To this question there appears to me to be only one answer, and even witnesses who saw difficulties and objections to the proposition admitted that there was injustice, and that it might be desirable to devise some means for remedying it. If the proposition that the increased value of the holding due to the tenant's unexhausted improvements justly belongs to the tenant be conceded, then I hold that there would be no difficulty in devising effective means for protecting the interests of the sitting tenant.

H.—*Restrictions on Cropping, &c..*

Mr. Hope, in his report on the counties of the south-east of Scotland, refers to this subject as follows:—

“It is felt that the time has now come when these cropping clauses should be struck out of leases altogether, and that the tenant should be allowed a wide latitude in the mode of cultivation subject to this provision, that during the two or three last years of the lease a regular course should be followed and the farm left in appropriate divisions of the various crops.

“The general feeling appears to be that with the altered times the conditions which regulate the cultivation of land should be revised so as to meet the altered circumstances. In the case of many farms not conveniently situated for railway accommodation, or for ready markets, the restrictions as to the mode of cropping, or the sale of produce, do not operate so adversely to the interests of the farmer. But in the case of farms within easy reach of railway stations, it is felt that in many seasons the revenue of the farm could be very largely increased if a free hand were given to the tenant to sell whatever portion of the produce of his farm could be marketed most profitably. There appears to be no disposition at all on the part of the tenants, in seeking this reform, to exhaust the land. All seem to be ready to come under obligation to bring back an equivalent in fertilising matters for any crop sold which in ordinary course would fall to be consumed upon the holding. I may state, in this connexion, that in farms situated in near proximity to towns, most, if not all, of the crops are sold off. This happens more especially in the case of farms within a certain radius of Edinburgh. It is the custom in that district, not only to sell off grass, hay, and straw, but also the turnip crop, and practically no feeding stock is kept for the production of manure to be applied to the land. In these cases the whole of the land is, almost without exception, in the highest state of cultivation, and the best and heaviest of crops are raised upon it. The system followed in selling off the crops is for the farmer to purchase large quantities of horse or cow dung or city manure, which he is able to do at the present time at a very moderate cost. The result of this style of farming has been that the whole of the farmers in these

districts have been better able to withstand the bad times than their fellow farmers, who are obliged to carry on farming operations under strict conditions as to cropping and under disabilities as to the sale of produce."

I desire to express my entire concurrence in the conclusions arrived at in the paragraph above quoted. It is not only to the advantage of the landlord and tenant, but of the country at large, that the restrictions with regard to cropping and sale of produce should be swept away.

I.—*Incoming Tenant paying Compensation.*

I desire also to refer to the system which has grown up, particularly in England, and of which cases are not wanting in Scotland, of the landlord saddling the incoming tenant with the burden of payment of the compensation which may be found due to the outgoing tenant. In the supplementary memorandum of 1882, already referred to, I alluded to this matter as follows: "I consider that much injustice and litigation would be avoided if the system were declared to be illegal."

J.—*Contracting-out.*

I also hold the view that it should be impossible to contract out of the Act. In this connexion I desire to quote Mr. Spier, Assistant Commissioner for south-western counties of Scotland. "Very considerable irritation seems to have been caused by the great antipathy landlords and factors have shown towards the Act, and the strong endeavours they have made to contract themselves out of it have induced them to insert clauses in their leases, many of which are curiosities in their way. In some instances factors have bound their tenants, and, more wonderful to relate, the latter have agreed to apply to each acre put under green crop a quantity of farmyard manure many times greater than what could be made on the farm, or is ever applied in ordinary farming, under the impression that the tenant could only claim for the unexhausted value of what manure he had used over and above this quantity. In some cases as much as 70 cubic yards of farmyard manure was agreed on to be applied to each acre of green crop. Many farmers consider that having bound themselves in this way their best course to follow is to ignore the Act altogether, and leave their farm in the most exhausted condition they can, consistent with profit to themselves. As clauses of this kind are inserted in three out of every four of the leases current in the counties reported on, and as the system referred to is acted on by most of the farmers, it is clear how useless the Act has been. Others, again, consider that although they have agreed to apply these quantities of manures, and take care to apply them, they have not in any way bound themselves to leave the unexhausted value of these manures without being compensated for them." I may add that the evidence which has been adduced before the present Commission shows that the agreements for compensation incorporated in leases frequently place the compensation which is to be given to a tenant at a much lower figure than under ordinary circumstances he would be entitled to receive. In any event, if the recommendations which I have referred to in this memorandum are carried out, it would be more satisfactory to leave the question of compensation to the determination of the official valuator. In this, as in other agreements between landlord and tenant, the parties seldom stand upon an equal footing.

K.—*Branch of the Board of Agriculture in Scotland.*

As a necessary accompaniment of the recommendation for the appointment of official valuers, and the placing of claims and counter-claims in neutral hands, I am strongly of opinion that a branch of the Board of Agriculture should be opened in Scotland, with a permanent official attached to it, as is proposed to be done in Ireland. From this office the official valuers would receive all their instructions, and would issue all their findings. The existence of such an office would greatly diminish the cost of procedure, and could not fail to be of great service to agriculture generally. I believe the Scottish agriculturists have great confidence in the Board of Agriculture, but they naturally desire that it should be brought more closely into touch with them. In this connexion I entirely dissent from the recommendation in the principal report that correspondents should be employed to report to the Board on matters of agriculture. I am thoroughly convinced that no good end would be served by appointing such correspondents, and nothing will satisfy the Scottish farmer but a Scottish office of the Board of Agriculture.

II.—RENT.

I dissent from the contention running through the whole of the chapter on rent. In particular I dissent from the findings and conclusions set forth in paras. 439, 442, 445, and 448. I here quote the paragraphs to which I more particularly object.

“439. The losses and disasters of farmers testified to by some of these accounts and other evidence undoubtedly raise a presumption that, amongst their other difficulties, the rents paid by them were, in some instances, too high. But before this is established in any given instance, it would be necessary to investigate all the circumstances, including the adequacy of the farmer's capital employed, as well as the quality, situation, and equipment of a farm. It then might, perhaps, be explained how, while the results shown by the accounts are so unsatisfactory, in 16 instances (seven of which refer to Essex) profits were earned between 1889 and 1894 of from 5 to 24 per cent. on the capital employed, the rents paid ranging from 9s. 7d. to 34s. 5d. per acre. While the facts then require detailed investigation, it must be borne in mind that the opinions of tenant farmers upon such a question as rent, although given with perfect sincerity, and entitled to due consideration, cannot, any more than those of landlords and agents, be accepted as the views of disinterested witnesses.”

“442. If they (the farms) have not fallen sufficiently, the only explanation would be that the lessons of the last 18 years have not been learnt, and that farmers, although competition has slackened, continue to make improvident bargains when they take their farms, or neglect to take advantage of the annually recurring opportunities, which most of them enjoy, of claiming a revision of the terms upon which they hold them. This conclusion is so opposed to all probability and economic theory that we hesitate to accept it, and, in our opinion, the evidence based upon individual opinion and experience, and upon figures comparing the fall of agricultural prices with the cost of production, is insufficient to displace the presumption that the market price paid for the use of land, as for any other commodity, is the best, if not the only available test of its value.”

“445. We have had some evidence that tenant farmers, owing to their inability to find other employment, to the cost of moving, and still more owing to the loss which in times of depressed prices is incurred by the sale of their farming stock, are so reluctant to quit their holdings, that rather than do so they keep on at a higher rent than they can afford to pay, or than other farmers would offer. In some instances, indeed, these considerations and hopes of better times have doubtless caused hopelessly crippled men to cling to their farms, when it would have been better for all concerned if they had given them up. It is possible that considerations we have alluded to operate with greater force upon farmers than upon other business men, but we believe that the special amenities of farming, such as its independence, the country life, the comfortable house for which no separate rent is charged, the assured provision of food from the produce of the farm, and the facilities for bringing up a family, have at least an equal effect in attaching tenants to their holdings. These attractions have a value of their own, and must not be lost sight of when the profits of farming are compared with those of urban trades or manufactures. It may be that in some instances they lead farmers into paying more rent than it is prudent for them in a commercial sense to pay, but tenants of experience must be assumed to know what is best for themselves, and if they believe they are paying more than the market value for their farms, the remedy in these days is obvious and easy.”

“448. We have now made a brief survey of the agricultural position as regards rents. Assuming that rents generally have adjusted themselves, or will soon adjust themselves, to the conditions of the farming industry, and we have given reasons for thinking that this must be so, it follows that the main burden of agricultural depression is being shifted more and more from the occupiers to the owners of land, a result which, sooner or later, economically speaking, was inevitable, unless the letting of land stands upon an entirely different footing from similar transactions in other branches of business.”

The contention of para. 439 is that, although tenant farmers may be sincere in affirming that “rents are still too high,” yet their evidence on this point is inaccurate, as they see the matter through the distorting medium of self-interest. To this, of course, the tenants may effectively reply that those arriving at this conclusion, being themselves landlords, see the matter through the same distorting medium. The leading contentions in the other paragraphs are that “the market price for the use of land is the best available test of its value” (para. 442), and that “rents, generally,

have adjusted themselves, or will soon adjust themselves, to the conditions of the farming industry" (para. 448). From these contentions I dissent. I readily grant that the market price for "any other commodity" is, as a rule, "the best if not the only available test of its value." But in dissenting from the conclusions set forth in the above-noted paragraphs I take my stand on the indisputable fact that in the hiring of land the practical tenant farmer who has his living to make off his land has not only to compete with men of his own class, but he has also to compete with several other classes of offerers, whose competition frequently raises the rent far above what a fair rent would be. In the first place, and particularly in the case of a farm within easy access of a city, and with a good dwelling-house and garden upon it, the practical farmer who has to make his living off the land has to compete with professional and commercial men and others who have lucrative businesses behind them, and who wish to have a farm, not so much for any profit to be made off it, but partly for the desirable country residence and partly for the social status which the holding of a good farm ensures. Even in the case of outlying farms the practical tenant farmer who has to make his living off the land has to face a similar competition from moneyed men. While I readily grant that great good has been done by moneyed men developing the higher grades of stock, the result has been a decided raising of the rent above the figure that would be fixed by an independent and fair-minded practical valuator. In proof of this fact I may cite our Assistant Commissioner, Mr. John Speir, who says in his report (p. 9) that out of 172 new tenants in Nithsdale no fewer than 53, or nearly one-third, were drawn from the mercantile and professional classes. In the second place, the practical tenant farmer who has to make his living off his land, particularly in the case of a farm in high condition, has to compete with adventurers who are ready to offer unduly high rents for said farms in the expectation that they will be able to pay these unduly high rents up till the first break in the lease through working up and exhausting the improvements executed by their predecessors. In the third place, the practical tenant farmer has also to compete with another class of adventurers who have little money of their own to lose, and who are therefore more reckless than they would otherwise be in the offering of rents for farms. In proof of the latter fact I may mention that last year the estates of three farmers within a radius of 16 miles of Edinburgh were sequestered within less than a year after they had entered on their farms. These facts incontestably prove that "the market price paid for the use of land" is *not* the best test of its value to practical and improving farmers of adequate capital, skill, and enterprise. I go farther and say that the competition induced by this means has had the effect of keeping the rent of land far above what the practical farmer can afford to pay if he is to get a fair return for the use of his capital and for his labour, and make some provision for himself and his family. I cannot put these points more forcibly than was done by Lord Londonderry in an important speech delivered before the Darlington Chamber of Agriculture on December 28th, 1894, when his Lordship said:—

"It was not to the advantage of a landlord to possess a tenant who attempted to pay a higher rent than he could afford. The landlord did not fix the rent. It was fixed by competition; and when they saw men who had not been brought up to agriculture, who had not studied the question from a practical point of view, offering rents that they were absolutely unable to pay, and which the land was incapable of producing, it was dangerous to all concerned. He could not help thinking that, to a great extent, the root of the present evil was to be found in the offering of competition rents which the land was unable to bear."

The above quotation, together with the evidence laid before the Commission, warrants me in holding that "competition rents" exacted under the conditions I have endeavoured to set forth are in no sense a true test of the value of land to a practical tenant farmer such as we all desire to encourage. I may further point to the fact that in the great majority of cases in which farms have lately changed hands, they have done so at considerably reduced rents notwithstanding the competition which practical farmers have to face from moneyed men, outsiders, and adventurers. On the estates of the Duke of Richmond and Gordon and Lord Aberdeen, where farms are not let at "competition rents," and where liberal readjustments of rents have been regularly made since the depression began, the proprietors, on seeing that the reduced prices for agricultural produce had come to stay, have lately had most of their farms re-valued to the present tenants with the result that the rents have been reduced on an average by 20 per cent. The same liberal and enlightened policy pursued by these proprietors in the North of Scotland was carried out by several proprietors, notably by the Earl of Haddington, the Earl of Hopetoun, the Marquis of Bute, and Lord Blantyre, in the south, who were among the first to recognise the justice and necessity of such a

course. On this subject Sir Thomas D. Gibson Carmichael, in the House of Commons on July 13th, 1896, said :—

“So long as there was that great demand on the part of men, who had not farms, to take them, things would not be much better. It would only be when tenants had learnt by bitter experience not to offer a higher rent than the land would produce, and when landlords had learned from bitter experience that it was not always the best policy to take the man who offered the highest rent, that the change would come.”

In the same way Lord Rosebery, speaking at Newton Abbot on May 16th, 1896, said :—

“The real relief for which agriculture must look when agriculture is pressed is not in an extravagant assistance in the rates but to the reduction of rents.”

Mr. Jas. Hope, one of the Assistant Commissioners for Scotland, says (page 8) :—

“The real solution of the difficulty caused by low prices induced by foreign competition is to be found in a reasonable readjustment of rent. The basis upon which all rents ought to be calculated is the revenue expected to be drawn from the farm after making due allowance for working expenses, interest on capital invested, and a fair return for the skill and labour of the farmer. The balance remaining over, after meeting the cost of production, represents the sum which the tenant can afford to pay as rent, so that the question of rent lies at the foot of the whole matter and is the main factor which ultimately determines the margin of profit.”

To precisely the same effect, Mr. John Speir, the other Assistant Commissioner for Scotland, says :—

“The majority thought that if only the rents were made proportionate to the value of farm produce and the cost of growing it, there was no reason why farmers might not do very well” (p. 5).

Mr. Speir further adds, “Everybody is of opinion that nothing can rid agriculture of the millstone about its neck so much as a readjustment of rent in accordance with present prices” (p. 11).

The above facts and quotations completely disprove the assertions made in the report to the effect that “competition rents” form any fair test of value of land to a practical tenant.” I readily admit that a landlord is quite within his legal rights in accepting the highest rent that he can get for any farm. At the same time I hold strongly that a landlord is carrying out a shortsighted policy for himself, and for the whole community if he by exposing these to competition by tender or otherwise in effect puts his farms up to auction, and knocks them down to the highest bidder. An undesirable tenant can do great damage to his land by exhausting its fertility, and then leaving it in a run-down and unlettable condition. The landlord and his factor, or valuator, should first fix a fair rent for the farm, and then select as the tenant an offerer with sufficient capital and experience to insure that he will work his holding in a manner beneficial both to himself and his landlord. Numerous much-respected landowners, including the Duke of Richmond, Lord Wantage, Sir Massey Lopes in England, and the Scottish landowners above referred to, and others have adopted this policy and have found it to be to their ultimate advantage as well as for the immediate and permanent advantage of the tenants; factors of great experience and management of estates, such as Mr. Gilbert Murray and Mr. George Muirhead, who gave evidence before the Commission to that effect, and others, have also adopted this principle and have testified to the necessity for a proper readjustment of rents based on the productive capacity of the farms, the cost of labour, and the prices for agricultural produce. The refusal of many landlords, particularly in the south of England, to concede the re-adjustments of rent rendered imperative by the altered conditions of farming, caused thousands of tenants to go on paying rack-rents through exhausting the fertility of their farms, until finally both farms and tenants were ruined, and the tenants had to move elsewhere, while the land was left in a derelict condition to the great loss alike of the landlords and of the nation. I do not at present approve of the principle enunciated by Mr. Chamberlain, when he said “There is only one thing that can benefit the farmer, and that is a fair rent fixed by an impartial tribunal.” I would much rather see the same end attained through landlords acting out a liberal and enlightened policy, which is most conducive to the promoting of their own best interests and the interests of the community as well. At the same time I cannot but clearly recognise the fact that the demand for a “fair rent fixed by an impartial tribunal” is growing, and unless the cause of that demand be removed, the demand itself will continue to grow and may, in the not very distant future, lead to legislation of a drastic character.

III.—FOREIGN MEAT.

Suggestive evidence has been given regarding the sale of foreign meat. Mr. C. S. Read proposes that vendors should be licensed to sell foreign meat and that they should have a notice to the effect over their shop doors; Sir Massey Lopes states that the meat should be labelled or sold under a license. Mr. Hope, Assistant Commissioner for Scotland, advocates the licensing of shops where foreign meat is sold. The conclusion to be drawn from the evidence given on this point is that vendors of foreign meat should have a sign above their shop doors; that the shop in which such meat is sold should be separate from the shop in which home meat is retailed, and that foreign meat, when sold, should be labelled as such. These provisions should be made compulsory.

IV.—COMMERCIAL GAMBLING.

I wish to express my dissent from paragraphs 553 and 554 in the chapter on "Commercial Gambling." The number of subjects in connexion with agricultural depression brought before us was so great that it was impracticable for us to enter exhaustively into the complicated question of market gambling, and therefore I do not feel that we are justified in pronouncing judgment upon the arguments which we have summarised. I have, however, no hesitation in endorsing a recommendation made by the Central Chamber of Agriculture and other agricultural bodies in favour of the appointment of a Select Committee of the House of Commons for the examination of witnesses, and especially of experts in the corn trade, upon this highly technical subject.

(Signed) JOHN CLAY.

Memorandum by Mr. R. Lacey Everett on—

I.—Past Agricultural Depression.

II.—The Cause of the Great Fall in Prices. (Page 190.)

I.—PAST AGRICULTURAL DEPRESSION.

The present depression in agriculture unhappily is not without a precedent. In an earlier part of this century a depression very similar to the present was experienced. It set in soon after 1819 and continued till 1838. Abundant materials exist to enable us to judge of its severity and cause. The agricultural literature of that period periodical and other, is full of references to it. Cobbett in his "Rural Rides" gives graphic pictures of it. The subject was continually coming up in debates in Parliament through those years. The House of Commons appointed committees to inquire into it, the first of which sat in 1820, 1821, and 1822, the second in 1833, and the third in 1836. The House of Lords appointed a committee, too, for the same purpose in 1837. The last two committees did not, that I can find, report. The first two did; and in their reports, and in the volumes of evidence which all four committees published, a wealth of matter is available to the researches of the student of the agricultural history of those times. Many of us also, too, have heard old men of past generations describe their remembrance of them. Farmers in great numbers then went into bankruptcy (Alison the historian says half did). Farms, even good farms, went begging for tenants. Labourers in thousands were out of employment, wages went down to starvation point both in villages and towns, for town industries were as depressed as agriculture; and machine breaking, incendiary fires, and general increase of crime bore witness to the depth of the misery of the people. "The farmer bankrupt, the landlords in the way to be expatriated, many of them gone, the labourer without employment, the shopkeepers without custom," such is the picture drawn by E. S. Cayley, a well-known Yorkshire M.P. and a high agricultural authority, in a speech in the House of Commons on June 1st, 1835. Some study of the records of those times will well repay those who can find time to turn to them now when again severe depression has overtaken agriculture.

It will be found, in such a study, that there was a general agreement at the time as to the cause of the depression. Then, as now, it was due to a great fall in prices. The price of wheat, for instance, during the first 20 years of the century (1800 to 1819 inclusive) averaged 88s. a quarter; but during the next five years, only 57s. 2d., and in 1822 it fell to 44s. 7d., and in 1835 to 39s. 4d. It was this enormous change in price levels which caused the trouble. On this all witnesses and authorities will be found agreed.

There is a widespread impression to-day that a general fall in prices is a great blessing, especially to the poorer classes; it is worthy of note that during the second 20

years of this century the nation did not by any means find it so, and, least of all, did the working classes. The much lower prices, though no doubt beneficial to some, such as placemen, pensioners, and the "dead weight" classes generally, brought great industrial depression, want of employment for the poor, increase of crime, and widespread misery to the country as a whole.

There is also a strong impression to-day, at least among farmers, that protection can ensure prosperity to agriculture. But, as a matter of fact, the long depression following 1819 was all under protection! and not under light duties like 5s. a quarter such as are sometimes talked of now, but under very heavy duties indeed. During the first 15 years of the century, though there were Corn Laws, wheat came in practically free. In 1815 fresh Corn Laws were enacted under which it was not allowed so to enter, when the price was under 80s. a quarter, when below that price prohibitory duties, averaging some 20s. a quarter, were exacted. Yet, as we have seen, the price in 1822 dropped to 44s., and in 1835 to 39s. 4d.!

Nothing is more astonishing to the modern student of those times than to find that the imposition of the Corn Laws was followed by a period, not of higher but of much lower price levels! During the first 15 years of the century, with practical free trade, the average price of wheat was 89s. 8d., in the next 25, all under the Corn Laws, the average was only 62s. 8d., or nearly 27s. a quarter lower!

The Committee of the House of Commons appointed in 1820, reporting in 1822, said: "The ruinously low price of agricultural produce at this moment cannot be ascribed to any deficiency in the protecting power of the law. Protection cannot be carried further than monopoly."

What, then, was the cause of the great fall in price levels?

With our modern ideas formed from England's present situation, we might be inclined to answer, "Return to peace after the long war." The student will not, however, find that cause prominently put forward in the discussions of the time, for it must be remembered that during last century we were an exporting country, generally growing more than we needed at home; during much of the time we actually paid bounties to encourage the export of wheat—they were payable into the present century if prices fell low enough. War on the continent of Europe during last century, as Arthur Young and others have clearly pointed out, *lowered* prices here by closing against us our foreign market. We were very nearly a self-feeding country during most of the time of the great French War which closed in 1815.

Then, as now, all sorts of reasons were given for the fall in prices, such as abundant seasons, warehousing of grain, over-population, &c., &c. Tithes were complained of, too, and the burden of rates and taxes. The burden of these last two on agriculture was relieved to the extent of 8,000,000*l.* a year! Yet still the distress went on.

But the largest amount of intelligent opinion will be found arrayed in support of the view that a change in money laws had brought the fall about, that it was in fact mainly due to a large contraction in the supply of legal tender money caused by the return to cash payments.

In 1797, on the outbreak of the war, the Bank of England was authorised to discontinue cash payments and to issue small notes of 1*l.* and 2*l.*, which were inconvertible, and were made by law full legal tender; gold nearly disappeared out of our circulation. Till 1819 these notes were the principal money in the country. As they were plentifully issued prices rose. When, by the Act of 1819, cash payments were ordered to be resumed, and the precious metal instead of the notes became the measure of value again and the only legal discharge for debt, a great contraction in the supply of money and of credit built upon it took place. The natural consequence of this was that henceforth a larger quantity of other commodities had to be given in exchange for a certain quantity of money. Money rose in value, and other things measured by it fell.

I append extracts, which I could have multiplied indefinitely, which show the weight of authority by which this opinion was supported.

The Committee of 1820-22 in their report said:—

"Your Committee, however, cannot but ascribe a proportion of the depression in prices . . . to the measures which the restoration of our currency had rendered necessary . . . an effect which has been aggravated . . . by the endeavours of other countries to revert to a metallic currency simultaneously with ourselves. They deeply lament the derangement which the fluctuations of the last 10 years in the value of the currency had occasioned in all the transactions of life, together with the individual loss and suffering unavoidably produced by the return to a fixed standard."

They also said :—

“The departure from our ancient standard in proportion as it was prejudicial to all creditors of money and persons dependent on fixed incomes was a benefit to the active capitals of the country. And the restoration of the standard has been in its turn proportionately disadvantageous to the productive classes of the community, and also attended with embarrassment to the landowner having mortgages and fixed charges to meet, fixed when land bore a higher value in reference to the impaired value of money.”

Before the Committee of 1833 evidence such as follows was given. Mr. Joseph Sandars, corn merchant, Liverpool, said :—

“During the depreciation of the currency from 1797 to 1819 there was a period of very unusual prosperity amongst farmers; the Bank Restriction Act of 1797 was reversed in 1819, and we have seen a descending scale . . . I think agriculture has not reached the bottom of that scale.”

“The distress was very materially aggravated by the Act of 1826, which repealed the Act of 1822, again permitting the issue of 1*l.* notes.”

Mr. Henry Burgess, Secretary to the Committee of Country Bankers, said :—

“If the metal which is standard becomes scarce that will produce an alteration in prices.

“The Acts of 1816 and 1819, taken together, established a lower range of prices permanently.

(*Note.*—The former changed our standard from silver to gold.)

“The Act of 1819,” was the main cause of the fall in prices, as well agricultural as manufacturing. “Nine out of ten of the great manufacturing works in Lancashire,” he had been told, “had changed hands through insolvency. The witnesses examined before that Act (of 1819) was passed, were mainly persons concerned with commercial affairs in London, such as exchange brokers, loan contractors, and London bankers. Many of these had interests directly opposite to the interests of the productive classes.”

John Langhorn, banker, Berwick-on-Tweed, said :—

“No relief would be afforded to the farmer except through the relaxation of the currency.

“The distress of 1816 was removed by increased issues.”

“The distress of 1819–20–21 was relieved in 1823–24–25 by increased issues.

(*Note.*—This was by Lord Londonderry’s Act of 1822 temporarily restoring the issue of 1*l.* notes.)

“He looked upon the raising of the standard by the Act of 1819 as an act of naked injustice.”

Lord Ashburton (Mr. Baring) said :—

“Price is regulated by the demand and supply of the article to be measured, and also by the value of the article of which the measure is made. Price is a certain portion of that metal (or other article) which is established by law as the measure of value.”

Richard Spooner, M.P., banker, said :—

“I consider the main cause of the present depressed state of agriculture to be low prices occasioned by our monetary system.

“The price of everything is regulated by the quantity of circulating medium.”

Before the House of Lords Committee of 1837 Mr. John Lewin, a large farmer and miller, near Wickham Market, Suffolk, said :—

“We have always had better prices when the currency has been expanded, and when it is contracted they are lower. . . . I have watched for 20 years the Bank circulation; the issue of country notes expands and contracts with it. (*Banking was free then.*) When the Bank of England has increased its issues, our prices have got up; when they have been contracted, our prices have gone down.”

Mr. Pattison, M.P., a governor of the Bank of England, was asked :—

“How do you account for the great fall in prices since 1820?”

He said :—

“It is owing to the change from a paper to a joint metallic and paper circulation.”

Mr. E. S. Cayley, M.P. for Yorkshire, said :—

“My firm conviction is that the necessary consequence of Mr. Peel’s Bill was to reduce the price of wheat in this country from 80*s.* to 40*s.*”

Sir James Graham, in a speech in the House of Commons on a motion to forbid the circulation of Scotch 11. notes in England in 1828, said :—

“The gentlemen opposite had contrived to reduce the price of corn lower than it had been since the Revolution. The miracle was produced by a very simple process—namely, that of tampering with the currency, from which the landlord is sure to be the first to suffer. The value of money was heavily increased, while all contracts remained at their nominal amount. The change bore down the amount of the landlord’s receipt for his produce, while all the fixed charges and incumbrances on his estate were increased. He was forced to pay in a currency 30 per cent. higher than that in which he had borrowed, and the consequence was that he must retrench, abandon the hospitality and liberality of his ancestors, and live like a niggard and degraded man, and squeeze his tenants like an oppressor, or the monied man walked in and took possession. *A decrease in the quantity of money is the first step in the high road to ruin.*”

Earl Stanhope, in the House of Lords in 1830, in the debate on the Address, said :—

“To what is the universal distress owing? It is to be ascribed to the erroneous basis on which our currency has been placed since 1819. Prices have not fallen in agricultural produce only; the depression has been continuous and universal ever since the Act of 1819 passed, and especially since the suppression of small notes took effect in the beginning of last year.” (*Note.*—They were finally called in in 1829.) “Such a universal and continued depression can be ascribed only to some cause pressing alike upon all branches of industry, and that cause is to be found in the enormous contraction of the currency which has taken place.”

In the debate on the distress of the country in March 1830, Mr. Western, M.P. for Essex, afterwards Lord Western, said :—

“It was to the change in the currency that we were to attribute our distress.”

Mr. Hudson Gurney said :—

“To me it does seem perfectly clear that the one and only source of all our difficulties, and of all the distresses that press so large a portion of our population to the earth, is the affair of money—the great and inconceivable error of making gold their only standard.”

Mr. Atwood said :—

“The conduct of the Government respecting the currency had operated as a confiscation of the property of the landed man for the benefit of the monied man.”

Sir F. Burdett spoke of—

“The fatal Bill of 1819. Subsequently to that measure there was a motion for a committee by the hon. Member for Suffolk (Sir T. Gooch), which was obtained, and a partial relief was obtained for the existing distress by the issue of 11. notes” (*Lord Londonderry’s Act*).

He mocked at the worship of the “golden idol,” and said :—

“They sacrificed the agricultural interest, the shipping interest, and the commercial interest, to the public creditor, to placemen, and to pensioners.”

The famous William Cobbett said :—

“The real cause of all the agricultural difficulties of England was the change which had taken place in the value of money. Therein lay the true source of the national misfortunes. . . . The original moving power by which their distress had been occasioned was the well-known currency measure of the Right Hon. Baronet, Sir R. Peel, near him.” (Of 1819.)

Daniel O’Connell said :—

“There was such a place as Ireland; agricultural distress was as great, if not greater, in that country than in England. They had been during the debate wholly forgotten. The remedy proposed by the noble lord (relief of taxation) was only like clipping or paring the thorn in the field. One remedy, the only sure remedy, was passed over, namely, one that would have the effect of mitigating the horrors of the Gold Currency Bill. If no one else would, he would put in his claim for that scheme, which was better than all the other schemes he had heard that night proposed.”

On Mr. Cayley's motion for a silver standard on June 1st, 1835, O'Connell said again:—

"A more destructive Bill, a more iniquitous Bill, than that of 1819 had never been introduced. There never had been a Bill more fatal to this country or so fatal to Ireland. There was no pressing necessity for that measure. It appeared to him to have been concocted in insanity, and for no other purpose than to make a mighty experiment on the power of human suffering to see what weight it would bear. He remembered persons having valuable interests in land leased to others who had also interests, and all were swept from the face of the land by the effect of that Bill as by a plague or pestilence.

"The monied interest had a strong motive for upholding the present system."

Mr. Wodehouse said:—

"All other remedies would prove utterly ineffectual. He had been one of the committee who sat in 1882 upon agricultural distress, and he had been one of a small minority who were opposed to the adoption of their Report on the ground put forward by Mr. Huskisson, that it did not sufficiently take into account the altered value of money. He was convinced that the present state of the currency had already done incalculable mischief, particularly to those connected with agriculture, and still threatened to overwhelm them with immeasurable ruin."

The last quotation I will give is from Lord John Russell, on the Corn Laws. In 1843 he said:—

"In 1815 a new policy was adopted, and 80s. was established as the price at which foreign corn might be admitted. An important change, however, occurred in 1819, which really affected the price of corn. The attempt to keep up the price of corn at 80s. entirely failed; for the Right Hon. Baronet, in 1819, introduced a change in the currency and restored the standard of value.

"What was the effect? Why, five years before 1820, wheat averaged 80s. 9d., while in five years after 1820 it averaged only 57s. 3d.

"It was not any alteration in the Corn Laws that produced the alteration in price; it was the change in the monetary system."

Jevons, the well-known modern author of "Investigations in Currency and Finance," says, writing of those times:—

"Money rose 140 per cent. in value in those years; prices fell 60 per cent."

There is thus an overwhelming weight of evidence to the effect that the long depression which afflicted agriculture (and industry generally) after 1819, was caused by the contraction of the supply of legal tender money, which followed the Act of that year.

The revival of agriculture and its long run of prosperity from 1853 to 1878 was coincident with a great *increase* of legal tender money, the result of the wonderful gold discoveries in California and Australia; the largest discoveries of the precious metals in the history of the world.

The present distress follows a great contraction of money, due to legislation restricting the former free supply of legal tender money from both the precious metals and limiting it only to one, which limitation began in 1873. This has produced a contraction similar in character to that of 1819, which suppressed the one pound notes. Then the notes were suppressed, now it is one of the precious metals. And there is every reason to fear that this last contraction, if persevered in, will cause a continuous corresponding lowering of price levels as long as it lasts. How can it be otherwise? Throughout last century, when prices rested upon both the precious metals, a fairly steady level was maintained. The increase of the two precious metals about corresponded with the increase of the commodities they had to measure. In future, under the new restrictive arrangements, the increase of commodities will have the increase of only one metal instead of the two to balance it, and that one the most capricious and uncertain in its supply. It therefore looks to be almost absolutely certain that the new restrictive policy, if persevered in, condemns agriculture and other industries *permanently* to that condition of *depression* which continually falling prices necessarily bring in their train. A new benumbing influence has been set in motion by law to check industry by making it unprofitable.

II.—THE CAUSE OF THE GREAT FALL IN PRICES.

It is to be noted that the great and continuous fall in prices, which we are unanimously agreed is the main cause of the present depression, has not been confined to articles of agricultural produce. The index numbers devised by political economists to register the movement of the wholesale prices of commodities generally, show that the fall in the value of agricultural produce is but part of a general downward movement in price levels. The index number as given by "The Economist," in which the prices of 22 articles are grouped, is for the average of the 10 years ending with—

	1873	-	-	-	3,036
and for 1st January 1897		-	-	-	1,950

Mr. Sauerbeck's index numbers, based upon 45 principal commodities at the prices they fetched from 1867 to 1877, and calling that price 100, show the following results :—

1867 to 1877	-	-	-	100	1885	-	-	-	-	72
1874	-	-	-	102	1886	-	-	-	-	69
1875	-	-	-	96	1887	-	-	-	-	68
1876	-	-	-	95	1888	-	-	-	-	70
1877	-	-	-	94	1889	-	-	-	-	72
1878	-	-	-	87	1890	-	-	-	-	72
1879	-	-	-	83	1891	-	-	-	-	72
1880	-	-	-	88	1892	-	-	-	-	68
1881	-	-	-	85	1893	-	-	-	-	68
1882	-	-	-	84	1894	-	-	-	-	63
1883	-	-	-	82	1895	-	-	-	-	62
1884	-	-	-	76	1896	-	-	-	-	61

Both index numbers, it will be seen, show an enormous fall. The history of recent centuries will be searched in vain to find any parallel for so great, continuous, and general a fall in price levels.

It is to be noted further that this fall is *still continuing*, the last year being the lowest of the whole series.

The above tables show that we are witnessing a change in the value of money as measured by commodities of a very remarkable character. It has had no parallel, I believe, since the 16th century. The change was then precisely in an opposite direction, and was accompanied with great industrial activity just as this is with depression.

My object in this memorandum is to show how the change passing under our eyes is being brought about. That of the 16th century was brought about by natural causes, by an enormous increase in the production of the precious metals. The present, it will be seen as we proceed to study it, is being brought about by artificial means, by legislation in the nature of "protection"! by legislation restricting not; indeed, the output, but the use for monetary purposes of one of the two precious metals.

We are witnessing an experiment which has never been tried in the world before, viz., of making one precious metal do the work of valuation which has always been done hitherto by the two in conjunction.

The fall in prices, so calamitous to the agricultural and other productive industries, and to indebted persons and nations, can be traced directly to a departure from the old policy of freedom and equality in the treatment of the two precious metals, and to the adoption in its place of a new policy of "protection" to one of them. This new form of protection has been more far-reaching in its effects, more subtle and cruel in its operation on certain classes, and more prejudicial to agriculture and other industries—especially to agriculture—than any legislation of modern times. It has really in fact, as we shall see, created the depression which afflicts agriculture to-day in gold standard countries all round the world.

The article chosen to be "protected" is just that one of which everybody has need and which no one can do without, viz., money. The new policy has borne its natural fruit. As the area of its operation has extended, the husbandman in the old world and in the new, in Great Britain, in Ireland, on the continent of Europe, in our colonies, and in the United States of America, has found himself compelled to give more and ever more of his produce to buy the money with which to pay his way.

Whether toiling on arable land, or tending flocks or herds on prairies or pastures, he has found his reward for his industry continually shrinking. He has seen many other men's wages increasing or stationary, while his reward for his toil has been steadily getting less and less. Engaged in the oldest, the largest, the most necessary of all callings, an invisible but irresistible power keeps snatching away his legitimate profits, until, groaning with misery, he does not know which way to turn to escape from his hard lot. His difficulty is not with the seasons; it is not with the soil; it is not with his crops. The earth is as fertile and nature as bountiful as they used to be in the years of his prosperity. His difficulty is with price. Nothing that he can produce comes to any money; this is the complaint on every agriculturist's lips. The curse of a continually falling price dogs his heels whether he produces wheat, or wool, or maize, or cotton, or sugar, or meat. If, unhappily, he is in debt, if he has a mortgage on his farm, despair is upon him as he finds more and ever more of his produce necessary to meet each pound of his indebtedness. He cannot adjust his outgoings to his continually shrinking income.

This constantly increasing difficulty in obtaining money is exactly the effect to be expected from the policy of limiting the supply by "protection."

The express object of that policy as applied to any article is to raise the value of it. Well have the monied classes the inaugurators of the new policy of "protecting" money succeeded in their object. They have so raised its value by restricting its supply, that the husbandman has to give two bushels of corn nearly for the money which he used to be able to buy with one. They have cruelly reversed the position as described in the old parable. "How much owest thou thy lord?" "An hundred bushels of wheat (when I incurred my debt)," answers the farmer of to-day. "Take then thy bill and write *two hundred*" (not fourscore), says the mortgagee, the tax collector, the owner of leased land, and the money-lender of to-day.

The cruel effect of this new form of "protection" is to be seen to-day in the east of England—once the paradise of agriculture—in ruined farmers, neglected fields, tenantless cottages, and empty mansions. Also in complete collapse in the value of the land. Thousands of once prosperous families have been reduced to want. Mortgagors, once independent men easily able with old price levels to meet their obligations, have been crushed; mortgagees have sustained heavy losses, the clergy are impoverished; hospitals, almshouses, colleges, benefit societies, and numberless families whose incomes arose from land, are being plunged into ruin. Such are the fruits of the new policy of "protecting" money (gold).

How has money been "protected"? The method has been as simple as it is unjust. It can be explained in a few words. Prior to 1873 the supply of money of the precious metals was free, alike from silver as from gold. By a series of legislative changes made by many great nations, beginning with Germany, a ring of protection has been put about gold, and the other precious metal has been excluded from its world-old free competition with it. The restriction thus introduced has, of course, raised the value of money in all countries where gold is standard, so increasing the burden of debts, and lowering the prices of other commodities measured by money.

How has money been protected?

The whole subject of money unfortunately is a very intricate one which few people have time or inclination to study. And it is much better understood by financiers interested in raising its value than by the toiling classes who suffer from the forcing down of the prices of their produce when its value is raised. Our Commission will not have sat in vain if its report attracts attention to this supremely important subject, and to the mischiefs of the new form of "protection" which has been now introduced not by landlords, but by money lords.

Part II. of our Final Report, which I have had much pleasure in signing, deals largely with the above monetary change. I cordially agree with its contents. But I am so strongly impressed with the greatness and injustice of the change created by the introduction of an entirely new monetary system into the world, and by the far-reaching consequences which will continue to flow from it if unaltered, that I have ventured at the risk of some agitation to add the further remarks which follow. They represent the result of much reading and thought on an intricate but supremely important subject, and they will, I hope, make more clear to some who read them the cause of the remarkable changes passing under our eyes, some of which have led to the inquiry in which we have been engaged.

Three facts full of interest as bearing upon the present situation have been clearly established in the evidence which has been laid before this Commission :—

1. THAT THERE HAVE BEEN GREAT CHANGES IN THE GENERAL LEVEL OF PRICES IN PREVIOUS TIMES.
2. THAT IN EACH CASE WHERE SUCH CHANGES HAVE CONTINUED OVER A CONSIDERABLE PERIOD, THEY HAVE FOLLOWED A LARGE ALTERATION IN THE SUPPLY OF LEGAL TENDER MONEY.
3. THAT SUCH ALTERATION PRECEDED AND IS ACCOMPANYING THE PRESENT FALL.

As to the FIRST point, soon after the accession of Queen Elizabeth in 1558 a *rise* of prices set in, which continued progressing for a full century much as the present fall is progressing. This rise carried the price of wheat from 8s. or 9s. a quarter, the price at which it stood at the beginning of her reign, to from 40s. to 45s., the price of a fat ox from 30s. to four or five times that amount, and other commodities in proportion. It is the opinion of all historians and political economists who have discussed the point that this remarkable and phenomenal rise was due to the enormous addition made to the stock of the precious metals in Europe, first by the plunder of newly discovered America, and, second, by the discovery and working of the famous silver mines of Potosi, which were opened in 1545. Jacob, in his well-known work on the precious metals, says :—"The annual supply of the precious metals became twenty-fold! what it was at the beginning of the century. At the end of the century the stock had increased fivefold, and all prices were quadrupled!"

18,794.

This is a very notable instance of an extraordinary change in the level of prices, and due unquestionably to a monetary cause.

The increased annual supply of the precious metals continuing the higher range of prices thus climbed to through the course of a century, was maintained on the average—if any group of years be taken together—with great steadiness through the next century and a half down to 1797.

SECOND GREAT RISE!

We now come to another remarkable upward movement. The SECOND GREAT RISE accompanied an abundant issue of inconvertible paper money.

In 1797 this country suspended cash payments which were not returned to till 1821. The average level of prices during this long period in which inconvertible notes were our legal tender money, and they instead of the precious metals were the measure of value in Great Britain, was very much higher than in the previous century. Previous prices were something like DOUBLED again! This is the second notable great change in price levels.

18,792.

The Bullion Committee, which sat during this period, namely, in 1810, presided over by Francis Horner, and on which William Huskisson and Mr., afterwards the famous Sir Robert, Peel sat, in their report, said, "An increase in the supply of the precious metals raises prices all over the world." And they point out that large issues of inconvertible legal tender notes in any country have the same effect in it. They say that the average amount of Bank of England notes in 1798 was 13,334,000*l.*, while in 1809 it had risen to 19,000,000*l.*, and country issues had increased in proportion (country banks had an unlimited right of issue then). They further say, the increase in the general paper currency in 1809 was probably little short of the amount which in any one year since the discovery of America had been added to the circulating medium of *the whole of Europe!* This, in their judgment, had much to do with the higher level of prices under the reign of the paper money.

Thus the second great change in price levels equally with the first had a clear monetary cause.

ELIZABETH TO VICTORIA.

It is worthy of note in passing, that from the accession of Queen Elizabeth in 1558 right down to the birth of Queen Victoria in 1819, a period of 261 years, the movement of prices—whenever its general level was changed—was on the whole *continuously upward!* This surely is a complete answer to those who say that in progressive communities the natural movement is towards "cheapness." It is really, as we shall see, quite a different cause that produces lower price levels when they occur.

FIRST GREAT FALL!

Next, a remarkable GREAT FALL in price levels calls for our attention; the fall spoken of in the first part of this memorandum.

This fall began soon after the passing of the Act of 1819, under which cash payments were to be resumed in 1821. The one pound notes, which for more than 20 years had been the principal money in circulation in this country, were made convertible at will, and were presently called in. A great contraction of legal tender money, and of credit built upon it, thus took place. A very heavy fall in prices followed these changes, which the Corn Laws of 1815—excluding foreign wheat while the price was under 80s. a quarter—were quite powerless to prevent. The level of prices during the ensuing years was *very much lower* than in the previous period. The average joint price of a quarter of wheat, a quarter of barley, and a quarter of oats added together, during the 22 years of the suspension of cash payments, namely, from 1798 to 1819 inclusive, had been 158s. 8d. In the ensuing 27 years—from 1820 to 1846 inclusive—(the last being the year in which the Corn Laws were repealed), the average joint prices of the same articles had fallen to 113s. 8d.

The effect on prices which followed the return to cash payments was anticipated by some of the foremost men in England at the time. On May 19th, 1819, when the proposed return was under discussion, the first Sir Robert Peel, the founder of the family, presented to the House of Commons the following petition from merchants and bankers of London, and warmly supported it in a speech:—

“Your petitioners have reason to apprehend that measures are in contemplation with reference to the resumption of cash payments by the Bank of England, which, in the humble opinion of your petitioners, will tend to a forced, precipitate, and highly injurious contraction of the currency of the country. That the consequences of such a contraction will be, as your petitioners humbly conceive, to add to the burden of the public debt, greatly to increase the pressure of the taxes, to *lower the value of all landed and commercial property*, seriously to affect and embarrass both public and private credit, to *embarrass and reduce* all the operations of *agriculture*, manufacture, and commerce, and to throw out of employment a great proportion of the industrious and labouring classes of the community.”

This forecast was but too faithfully fulfilled in the experience of the nation during the next quarter of a century. *Agriculture*, with which we are specially dealing, *was in very great distress through all the earlier part of that period*, as we have already pointed out.

This was the first notable *great fall* in the level of prices in modern times.

Thus, in reviewing the past, we find that large additions to the volume of money have produced great and continuous rises in the general level of prices, and a large contraction produced a fall.

FREE TRADE AND THE GREAT GOLD DISCOVERIES.

In further confirmation of the fact that price levels depend chiefly on money supply, it is instructive to notice that the prices of grain during the first 31 years following the repeal of the Corn Laws in 1846 were, on the average, very little below what they had been during the 31 years in which the Corn Laws were in force. The average joint price of a quarter of wheat, a quarter of barley, and a quarter of oats added together—from 1815, when these laws were imposed, to 1846, when they were repealed—was 119s.; during the next 31 years, all under free trade, it was 112s. 3d. The agricultural world was filled with alarm when the Corn Laws were taken off, and their repeal was followed by a few years of very low prices, but, as a matter of fact, after 31 years of free trade in England, agriculture looked back on a quarter of a century of unbroken prosperity, its longest period of unbroken prosperity in the century. How is this to be explained? Singularly enough the great gold discoveries in California and Australia began in 1848, the last year in which the corn duties were collected (they expired January 31, 1849). So extraordinary was the yield from these new sources that the joint production of the two precious metals, which in the early part of the century had been only 2,000,000l. annually, and which in the 20 years from 1820 to 1840 averaged only 7,200,000l. annually, rose during the 20 from 1850 to 1870 to 33,380,000l. annually, being a between four and fivefold increase! This enormous increase of new money was probably the chief factor in maintaining the price of corn at nearly the same level after the repeal of the Corn Laws as had prevailed under them. The prices of live stock, of meat, and of commodities generally, it is to be noted,

rose very considerably during these first 31 years of free trade. In connection with this remarkable fact it is also interesting to recall words used by Richard Cobden on December 13, 1852, in a debate in the House of Commons. He said :—

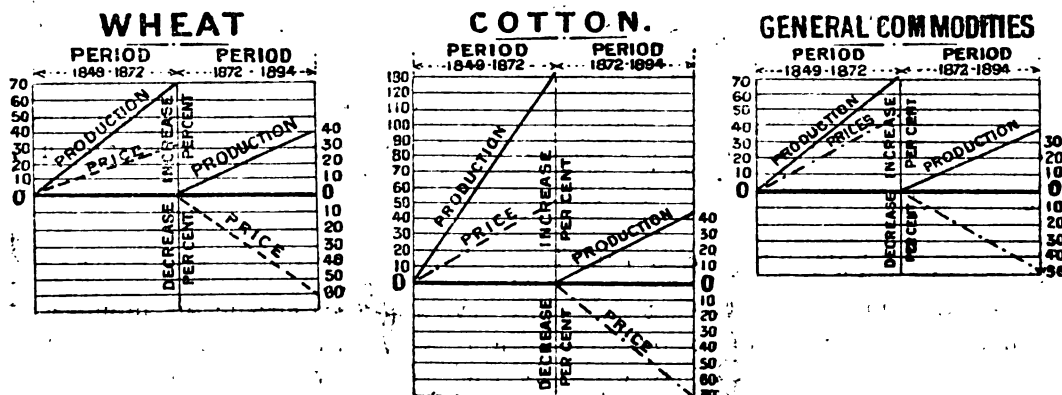
“It is sheer prejudice to say that as free traders we mean *low* prices for everything. What we want is *abundance*. We do not say that free trade necessarily brings *low* prices. It is possible with increased quantities still to *advance* prices. For it is possible that the country may be so prosperous under free trade that, whilst you have a greater quantity of everything than you had before, increased demand in consequence of increased prosperity may arise, so that the demand may be greater than the supply.”

This prediction was largely verified by what actually happened, as we have seen.

MORE MONEY CREATES MORE DEMAND.

Apart from the stimulus which the freeing of trade gave to commerce and manufacture, the enormous inpouring of new money into the world's circulation in quantities hitherto unprecedented was *the creation of a new and largely increased demand*. That it was the new money, rather than free trade, which mainly produced the new prosperity is shown by the fact that the prosperity was enjoyed by protectionist nations as well as by free trade Britain. Trade and agriculture thrived with new vigour in all civilized nations during the era of the great gold discoveries. The experience of that period illustrated remarkably the truth of the teaching of David Hume, the eminent historian and political economist, who, writing in last century, said, “In every kingdom into which money begins to flow in greater abundance than formerly, everything takes a new face. Labour and industry gain new life, the merchant becomes more enterprising, the manufacturer more diligent and skilful, and even the farmer follows his plough with greater alacrity and attention.”

The production of commodities of all kinds—agricultural and other—it is to be noted, *increased at a greater rate between 1849 and 1872 than it has done since*, yet prices *rose very considerably*. But since that time, with a *less* rate of increase of production, they have been almost *continually falling*. See the following striking diagrams prepared by Sir Guilford Molesworth, K.C.I.E.



OPINIONS OF ECONOMISTS.

Confirming the teaching of these striking diagrams, Sauerbeck also says : “The production of commodities between 1850 and 1870 *increased $2\frac{1}{2}$ per cent. per annum*, while prices *rose 18 per cent.* Between 1870 and 1885 they increased *only $1\frac{1}{6}$ per cent.*, and prices *fell 30 per cent.*”

These facts further confirm the teaching that great changes in price levels, where continuous, are the result of expansion or contraction in the supply of money. The following are a few samples of the opinions of political economists as to this fact :—

John Locke said :—

“The lessening of the quantity of money makes an equal quantity of it exchange for a greater of any other thing.”

Hume :—

“It is the proportion between the circulating money and the commodities in the market which determines the price.”

Ricardo :—

“That commodities rise or fall in price in proportion to the increase or diminution of money, I assume as a fact that is incontrovertible.”

J. S. Mill :—

“That an increase of the quantity of money raises prices, and a diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others.”

Sir Robert Giffen :—

“Viewing a long period dynamically, it is beyond all question that commodities are comparatively steady, and only the money changes.”

This being so, it will be seen that the high probability is established that any long continued change in the level of prices such as is now taking place before our eyes will be found, if investigated, to be due to a monetary cause.

THE REVOLUTIONARY CHANGE BEGINNING ABOUT 1873!

I will now describe briefly the extraordinary monetary changes which preceded the present remarkable fall in prices.

THE OLD MONETARY POSITION.

Prior to 1873, all the gold and all the silver in the possession of mankind, whether coined or uncoined, could be taken to the mints of various nations to be received back by its owners coined into full legal tender money, 15 to 16 ozs. of silver coining into money of the same value as 1 oz. of gold. This arrangement while it lasted—and it had lasted for centuries—made the two metals throughout the world practically one for monetary purposes, it kept them married together. In giving evidence for the Bank of France before the Conseil Supérieur in Paris in 1870, Baron Rothschild said of this state of things :—

“The simultaneous employment of the two metals is satisfactory and gives rise to no complaint. Whether gold or silver dominates for the time being it is always true that the two metals concur together in forming the monetary circulation of the world, and *it is the general mass of the two metals combined which serves as the measure of the value of things.*”

These last words aptly describe the principle which determines the general level of prices over any considerable number of years. That level rises or falls in some rough proportion to the relative quantities of the things to be valued, and of the precious metals (where they are the legal tender money) which value them. There is, as we have seen, substantial agreement among all political economists as to this broad principle. Here, not in inventions or absence of inventions, not in duties or absence of duties, is the real key to long continued considerable changes in price levels.

An illustration may help to make this clear, and to make plain how great was the change which began in 1873.

Imagine a pair of scales. Down to 1873, for centuries, there had been in one scale the gold and silver in the possession of mankind; in the other the world's commodities of all kinds. The precious metals weighed and valued the commodities. The contents of the precious metal scale had been added to by the yearly addition made to the stock of gold and silver from all sources. The commodities scale by the yearly increase of commodities accompanying the multiplication, and ever growing inventions and activities of mankind. A general level of prices, depending upon the proportion between the contents of the two scales, was thus established and maintained. From 1558, for a full century, money increased the fastest and prices rose. From 1820 to 1840 commodities increased the fastest and prices fell. From 1850 to 1873 money again increased the fastest and prices rose.

THE NEW REVOLUTION!

About 1873 the following REMARKABLE CHANGE OF LAW AND PRACTICE BEGAN.

One nation after another—Germany, the Scandinavian nations, the United States, France, and the nations which with her formed the Latin Union, and, after, Austria-Hungary, all closed their mints against the former unrestricted coinage of silver.

EFFECT OF THE NEW POLICY?

One effect of this new policy was obviously to lessen in those countries the possible inflow of money of the precious metals into their money scale, while the increase of commodities was continuing unabated. The increase of commodities was left quite free, while the increase of money was restricted. Thus was set in motion a *new force*, continually tending in these countries to lessen the proportion of money to commodities, and so tending to raise the value of money, and to lower the prices of commodities. This is one very important new element in the situation since 1873, and an element not natural, but *purely and absolutely artificial*.

FURTHER EFFECT?

But this was not near the whole of the change brought about by the new restrictions put upon the monetary use of one of the two precious metals.

Their most important effect was the alteration they made in the former "standard" or measure of value in which they wrought a quite revolutionary change. Until then—in the words of Baron Rothschild, already quoted—it was the general mass of the two metals combined which served as the measure of the value of things, silver being an undivided part of that general mass. Closing mints to silver, excluded, and so detached from, the hitherto undivided mass of the two precious metals available for money, a large part of the existing stocks of that metal. It detached, for instance, the silver of China and of the far East, of India, and of Mexico, &c.; also all the new silver annually produced from the world's mines, and the uncoined silver held in any form in every country.

This exclusion left as available money for gold standard nations, only the gold of the world and such silver coin as is allowed to circulate at its face value in gold standard countries with it. The excluded silver is probably some half of the whole stock of that metal in the possession of mankind. The money scale, as we have seen, had held the whole stock of silver and gold. Now, speaking roughly, half the silver has been taken out of the money scale and transferred as a commodity to the other scale. This great contraction of the monetary mass, this altered proportion between commodities and the money which values them, supplies the key to the great fall in price levels which we have witnessed in all countries on the gold standard; and the increased production of gold in the last few years has not near sufficed to stop the growing disproportion thus created, hence the fall goes on.

It is said that all the gold in man's possession if melted into a solid block would form a cube measuring 22 feet each way, and the silver in like manner a cube 66 feet each way. Both these were in the money scale prior to 1873; now, half the silver cube has been taken out of the money scale and put into the commodity scale. It is easy to see that this extraordinary change compelled the commodity scale to go violently down, in other words price levels to fall.

Nor is it easy to see what can save us from continually falling prices in the future while this new restrictive policy is persevered with. For the increase of commodities will have only the increase of one metal instead of two as formerly to counterbalance it. Here is the essential difference between the old monetary system and the new one which has just been created. It is the most radical and far-reaching economic experiment as yet witnessed by mankind. The currency—the standard by which we measure value—has been tampered with in an unprecedented way. The effect of this tampering, which has raised the value of money and lowered proportionately the value of produce and property of many kinds, has been to sweep large classes of innocent people into ruin. It has also plunged heavily indebted nations into enormous difficulties. The measure of value, which, like measures of length or quantity, should be constant and invariable, has been quite altered, to the great injury of the indebted and of all who have to buy money with produce.

TWO NEW AND SEPARATE STANDARDS.

Silver and gold—the two precious metals—which from the earliest times had been linked together in human speech, and accepted as one common money by almost all

nations, at ratios fixed from time to time by powerful Governments,* have now been *completely divorced from one another*. Their long joint reign has been ended.

Henceforth what had been one money has been divided into two. It is the most notable divorce the world has ever seen, the most far reaching in its consequences.

This REVOLUTIONARY CHANGE of law has completely altered the world's former "measure of value." Gold is now one "measure" of prices, and silver is another, quite separate and independent. And since this change they have yearly diverged wider and wider from each other.

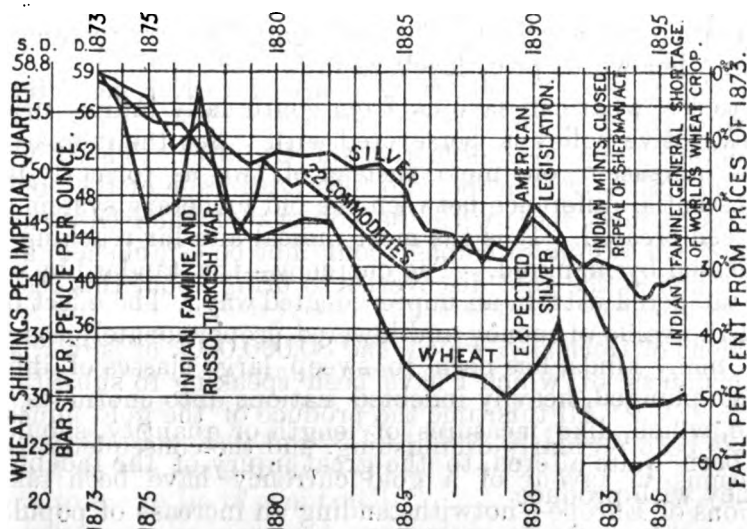
Facts show that this enormous change in the old "measure" of values is closely connected with the extraordinary fall in prices which has produced the agricultural distress into which we have been inquiring. For it is only in countries which measure prices by gold that the fall has occurred.

In Mexico, India, and the East, in fact wherever prices are measured by silver, there has been no notable change in price levels. Prices there measured, whether by the silver money of those countries or by silver bullion in London, are substantially as they were 20 years ago. An ounce of silver, for example, exchanges for about the same quantity of wheat, wool, cotton, or other commodities. 3444-6,
4711-8.

There seems then no legitimate escape from the conclusion that the fall in prices in gold standard countries has in the main been produced by a *rise in the value of gold* in relation to commodities which has taken place since its divorce from silver. The fall in prices is in fact the *direct outcome* of the remarkable monetary legislation we have described.

The effects which have followed that legislation are visible at a glance in looking at the lines on the chart annexed. The three lines upon it are three separate and independent records of the movements in the value of our money, viz., gold, as measured by other commodities. One shows the movement in it as measured by silver, one as measured by the "index number" based on 22 leading commodities, and one its movement as measured by wheat. The general parallelism of the three lines, it will be noted, is very remarkable. It seems impossible to believe that so remarkable a parallelism of movement over so many years can be a mere coincidence. That it is not a mere coincidence, but a delineation of cause and effect, is made absolutely certain when we study the chart and note the explanatory cause of each considerable movement in the lines. The descent of the lines upon it registers the fall in prices as measured by gold. The fall of commodities so measured is really a rise in the value of that metal but shown in an opposite way.

DIAGRAM SHOWING FALL IN PRICES SINCE 1873 OF WHEAT IN ENGLAND AND WALES PER IMPERIAL QUARTER AND PER CENT. OF SILVER BARS IN LONDON PER OUNCE AND PER CENT. AND AVERAGE OF 22 PRINCIPAL COMMODITIES PER CENT.



* Professor F. Max Muller, of Oxford, in a recent letter to the "Times," says: "After weighing thousands of gold and silver coins Professor Brugsch has shown that the ratio between silver and gold in the Egyptian coins was always maintained at 1 to 12½, while Dr. Brandes has shown that in Babylonia and all the countries which adopted the Babylonian standard it was 1 to 13½. . . . From the 16th century before Christ, or, if we restrict our remarks to coined money, from the 7th century B.C. to nearly our own times, the

Thus we see that very soon after the adoption of a preferential policy towards gold that metal began to rise in value as compared with its old ally silver. As the area of the preferential policy spread the rise increased, and as gold rose in value other things measured by it fell with a general parallelism very striking to see.

When in 1890 it was expected that the new monopoly created in favour of gold would be broken by the return to free coinage of silver in the United States, the value of gold rapidly fell, as the lines on the diagram show. When the free coinage measure was defeated and the Sherman Act substituted, up went the value of gold again. Then, in 1893, when our Government closed the Indian Mints, and the United States soon after repealed the Sherman Act, gold bounded up again faster than ever. And, as a rise in the value of this metal causes a fall in the value of other commodities measured by it, the extraordinary fall shown on the diagram is explained. The descent of those lines shows the fall in prices due to the increasing value of gold. The rise, where it occurs, shows the temporary depreciation of that metal and the consequent rise in prices. The teaching of these facts is irresistible, we venture to think, to an unprejudiced mind.

EFFECT FORESEEN !

When in 1870 the probable effect which might be expected to follow if the mints of France were closed against silver was being discussed in Paris, Baron Rothschild, continuing the evidence of which we have already quoted part, said :—

“As an extreme consequence it might then be necessary to entirely demonetise silver. That would mean the *destruction of a portion of the world's capital*. It would spell ‘ruin’.”

The effect in lowering the value of produce and property in all gold standard countries, which has followed the *partial* demonetisation of this metal, testifies to the sagacity of this prediction.

BY LORD BEACONSFIELD.

A speech of Lord Beaconsfield's on the subject is also very noticeable. Speaking in the House of Lords on March 28th, 1879, in a discussion on the depressed state of agriculture and trade, his Lordship said :—

“After the repeal of the Corn Laws there was considerable suffering among all classes, not merely in the agricultural classes—but in trade generally—there was great discontent and dissatisfaction suddenly, after three or four years, there was an extraordinary revival in trade, and a great elevation in prices. How did that occur? One of the most wonderful events in the history of the world happened, the discovery of gold in California.

“In 1852, 36,000,000*l.* worth were poured into Europe, and when your Lordships remember that the business of the world had been carried on until that time by an amount of gold which I believe never reached 6,000,000*l.* a year, you can at once apprehend the effects of this discovery. In one year there came 36,000,000*l.*, and in five years 150,000,000*l.* were poured into Europe. The effect of this was that prices were raised immensely.

“But a marvellous thing also occurred shortly after. There was a Commission of all the great States of Europe who took advantage of the holding of the Exhibition at Paris to meet there with the consent of their Governments, to consider whether a uniform system of coinage could not be established, and that advantage ought to be taken of the gold discoveries to bring about this result.

“The Government of Germany, which had 80,000,000*l.* of silver, availed themselves of the circumstances of which I have been speaking to substitute gold for their silver All this time the produce of the gold mines in Australia and California has been regularly diminishing, and the consequence is, that while these large alterations in favour of a gold currency have been taking place in the leading nations of Europe—notwithstanding an increase of population which alone

appreciation of gold has not been more than from 13½ to 15. We know that at various periods—for instance, at the time of the Persian wars, of the discovery of the East Indies, and of the conquest of America—there was a sudden influx of one or other of the precious metals. Yet the common sense of the great commercial nations of antiquity, in their anxiety to safeguard the interests both of their wholesale and retail traders, seem to have been able to maintain the respect for the relative value of silver and gold coin if safeguarded by the warranty of the State.”

always requires a large increase of gold currency to carry on its transactions—the amount every year has diminished, and is diminishing, until a state of affairs has been brought about by the gold discoveries *exactly the reverse* of what they produced at first. *Gold is every day appreciating in value, and as it appreciates in value the lower become prices.* This, I think, is one cause (of the depression) and may lead to consequences which may be of a very serious character it is not impossible that as affairs develop the country may require that some formal investigation may be made of the causes which are affecting the prices of the precious metals and the effect which the change in the value of the precious metals has upon the industry of the country and upon the continual fall of prices.”

These are very striking words when read in the light of recent events. The appointment of the Gold and Silver Commission in 1886, and the holding of several International Monetary Conferences, as well as the holding of several inquiries into Trade Depression and into Agricultural Depression, all called for by the fall in prices, 18,96—is a significant commentary on Lord Beaconsfield’s sagacity in foreseeing the far 19,011. reaching effects of the enormous monetary changes which were then beginning.

By MR. GOSCHEN.

On February 20th, 1883, Mr. Goschen, in the House of Commons, called attention to the same subject. He said:—

“I have asked myself whether a portion of the agricultural depression is not due to the fact that there is a fall in the price of almost all farm produce except cattle, butter, cheese, and similar commodities. From the inquiries which are now being made it appears there is, which can hardly be denied, a considerable appreciation in the value of gold, and that that appreciation in the value of gold has had a general effect on the value, on the prices, of almost all commodities, unless there are very special counteracting circumstances. The economists say that through the demonetisation of silver in Germany, and the resumption of specie payments in America, some 200,000,000*l.* of gold have been absorbed; and therefore they come to the conclusion that *a priori* it will be likely that the value of gold will increase and that there will be a fall in the price of commodities. The next process is to examine the prices of commodities, and see whether experience justifies that conclusion. Now, whether we take iron, cotton, wool, leather, or wheat, the same rule is found to extend over the whole range of commodities—the sovereign has appreciated in price—that is to say, we have to give a greater quantity of commodities for the same amount of gold. The reason why I have introduced the subject is that if the fact is so then the farmer who raises a certain quantity of wheat, barley, oats, or whatever it may be, receives for them a smaller price; while on the other hand his debts for rent, &c., payable in gold remain unchanged I admit the fact that the fall in price does not extend to cattle, sheep, butter, cheese,* or to all the products of grazing farms, but that is because in that particular industry a fearful havoc among the flocks has counteracted the tendencies of natural causes and prevented that fall in price which is otherwise fairly universal. Other causes for the fall in value might be adduced, but I submit this special one for the consideration of the House and the public. If, as is undoubted, there has been a greatly enhanced demand for circulation through the flow of gold into the United States, Germany, and other countries, the natural consequence is that prices must fall. In short, just as the discovery of gold and its flow into this country gave a great temporary prosperity, increase in industry, and appearance of wealth; so a diminution in the supply relative to the demand must produce the opposite consequence I therefore invite honourable members on both sides to think out this great problem, which goes far deeper than the mere question we are now discussing.”

In a speech made to the Manchester Chamber of Commerce in June 1885, Mr. 23,654. Goschen further said on the same topic:—

“The case seems to me to lie in a nutshell You have the decreased production of gold, you have the increased production of commodities, and you have the fall in prices which these two factors ought to produce. It ought to have produced it, and the fall is there: but somehow or other there are many persons who are furiously angry if people contend that there is any relation between the cause and effect.”

* These have all fallen heavily since.

We thus see that the fall in prices was anticipated by high authorities ; and that they clearly connected it with recent legislative changes affecting " money," the standard by which we measure value.

COMMON SENSE VIEW.

If we leave for a moment the testimony of experts, and study the question on the broad lines of plain common sense, we are irresistibly led to the same conclusions as they have arrived at. Currency questions are unhappily singularly intricate and difficult in many of their aspects, but on their broad lines common sense is all that is required to understand them.

What are the leading facts of the situation ?

The disease of agriculture is beyond all doubt the fall in prices.

What is price ?

In Great Britain, we measure price by one of the precious metals, viz., gold. Our " pound " is a piece of gold of a definite weight and purity (called a sovereign). But gold is itself a commodity, and like other commodities its value changes with variations in supply and demand. The size of the sovereign of course does not change, but its value in exchange with other things alters.

Now consider the change which has arisen in the demand for gold !

12,205.

Prior to 1873 the only nations having gold as their standard were England with some of her Colonies, and Portugal, representing a population at that time of under 50 millions. To-day (*see speech of Sir John Lubbock in the debate on currency in the House of Commons, March 17th, 1896*) through the changes made by different nations, 360 millions (*or more than seven times as many people !*) have this metal as their standard. How can such an *enormous* addition to the demand for gold have failed to raise its value ? And the more so because during the 20 years prior to 1889 the average annual production from the mines was actually *less* than it had been. In those 20 years it averaged under 21 millions a year in comparison with over 25,000,000*l.* in the previous 17 years. Of this diminished amount it is estimated that 13,000,000*l.* annually are consumed in the arts, and 1,000,000*l.* in loss and wear and tear. This left only some 7,000,000*l.* a year to meet the demand for the East (where some millions of gold go yearly and do not appear again in the West), to supply the ever growing needs of the original but ever multiplying 50 millions of people using it before, *and the entirely new demand of 310 millions of people besides !* It is certain that these new conditions must have raised the value of gold enormously. Accordingly, if we measure it by other commodities, we find from the " index numbers " that it has risen in value (purchasing power) between 50 and 60 per cent. ! 61 ounces of gold will purchase now at wholesale prices as much as 100 ounces would prior to 1873.

23,681.

A rise in the value of gold must, of course, necessarily express itself in a general fall in the price of commodities measured by it, just such as we have been witnessing. But not necessarily in the price of all commodities equally, or at the same time : as there may be counteracting circumstances, temporary or durable, affecting any particular commodity, which are more powerful than the circumstances affecting gold.

A simple illustration of this is found in the case of hay, which, in 1893, owing to the extraordinary drought of that year, was temporarily so diminished in supply that it rose to more than double its previous price. The rise has since, however, been entirely lost by a return to ordinary seasons, and the price is now lower than before the rise. It is only by grouping commodities, as is done with the " index numbers," that the general movement of price levels can be correctly gauged. Exceptions are owing to exceptional circumstances, and in no way disprove the evidence afforded by the fact of the general movement.

It seems then quite impossible to doubt that the monetary changes made by so many nations in recent years, enormously increasing as they have the demand for gold, have had *very great effect in raising its value*, and consequently in *causing a fall in general price levels* as measured by it. The fact that gold is now divorced from the other precious metals has intensified this effect.

CONFIRMATORY FACTS.

A number of contemporary facts add their confirmation to the conclusion that gold has been rising in value :—

Fixed charges of all kinds, as mortgages, leases, annuities, rates, taxes, wages, &c., have to producers, agricultural and other, been very much more difficult to pay. That is, it is more difficult to raise the same quantity of gold.

7379-85, 7416-22,
7429-86, 7716-23,
7763-5, 7772-94,
7907, 13,506-9,
13,510-30, 13,602-5,
18,725-58, 30,472-3,
30,509-12, 30,550-3,
30,639-46, 39,622-3,
30,766-7, 32,127-34,
32,225-7, 32,233-44,
36,106-13,
36,379-83, 47,481,
53,647, 58,678-84.

There is an almost universal unwillingness to take leases now, just the opposite of the state of things which prevailed 20 years ago. A lease is, of course, an agreement to pay a fixed quantity of gold yearly over a term of years.

Indebted nations like Australia and India have been in great difficulties.

A strong anti-Semitic movement has sprung up on the Continent, being the outcry of the indebted against the growing burden of their debts, burden increased enormously by the rise in the value of money.

There has been a great shrinkage in the value of many kinds of property, just such as a great rise in the value of the measure of value might be expected to produce.

Owing to the general and continuing fall in the value of produce and property, it is being found safer to hoard money than to use it.

Consequently it is being withdrawn from circulation, and accumulates at the banks.

Investors, afraid of embarking money in producing articles which keep falling in value, compete for gilt-edged securities, which are thus driven up to unprecedented prices, and interest falls.

All these contemporary facts are just such as might be expected to follow a great rise in the value of gold.

PROTECTION OF GOLD!

The monetary changes made have really amounted to a *gigantic system of "protection" of gold*. By excluding from free coinage the other precious metal, the old equal ally of gold, the world-old former free competition of the two money metals with one another, has been destroyed. Over the area of many nations silver has been shut out artificially from its hitherto principal use, and a monopoly has been created for the yellow metal. Instead of prices resting as they formerly did upon the natural foundation of the joint production of the two precious metals free from human manipulation, law has now stepped in to exclude one metal and to prefer and exalt the other. The world's old standard of value—the joint mass of the two precious metals—*has thus been tampered with as it never has been in the history of mankind before*. All the nations within the area of this new "protective" policy have had their prices artificially forced down nearly one half, to the cruel injury of the producing and indebted classes. Those which have continued on the old free lines, and with silver as their standard, have continued to enjoy the inestimable blessings of stable prices, and have been spared in their agriculture and other industries the great sufferings which we in common with all gold standard countries have been and are enduring.

EXTENT BY WHICH THIS TAMPERING WITH OUR STANDARD HAS REDUCED PRICES.

The measure of the extent of the fall thus produced is to be found in the different price levels existing to-day in gold standard and silver standard countries respectively. The evidence laid before us shows that agricultural produce (and commodities generally) have been exchangeable all through the fall in prices for about the same weight of silver as before the fall began. Of course each ounce of this silver—if mints had not been closed against it—would have coined into just as many coins as ever, coins formerly equally legal tender with gold. An ounce of silver coins into about 5s. A bushel of wheat to-day (June 1897) changes for about an ounce and half of silver, so that if there were free coinage the bushel would to-day be worth 7s. 6d. But its price measured by gold is only 3s. 6d. Yes, it will be replied. But if free coinage were restored, silver would immediately go up. No doubt it would as measured by gold, and so would wheat. The chart has shown us how the two move almost automatically together.

3444-6.
4771-8.
4825.

The inference seems irresistible, that but for the closing of the mints there would have been no considerable fall at all in the general level of prices. This being so—and we do not see how it is possible to escape from this conclusion—it is plain that it is the revolutionary new policy of closing the mints that is mainly responsible for the disastrous depression in agriculture into which we have been appointed to inquire.

It is true that England herself has made no change in her standard since 1816, when she changed it from silver to gold. But the anti-silver legislation of the Continent and the United States has had just the same effect on prices in England as if England had joined in that legislation. For the essential change which has taken place has been an enormous rise in the value (purchasing power) of money in all gold standard countries. And England is among that number. From 1816 to 1873 England was saved from feeling any hurtful consequences from changing her standard from silver to gold. The action of France and other nations whose mints were open to both metals at a fixed ratio kept the two metals linked together as

one. Gold and silver were undivided parts of one monetary mass. The gold standard was a separate standard only in name. It is only since the other Western nations have followed England's example, that the separation between the two metals has become really effective. Since then every fresh act of preferential legislation in favour of gold or of hostility to silver, whether emanating from Berlin, Washington, Paris, Vienna, or Calcutta, has affected the stability of England's standard as the lines on the chart plainly show just as if emanating from our own Parliament at Westminster.

It is the great rise in the value of gold, due to the new preferential policy which has been pursued toward it by whatever nation, which is mainly responsible for the phenomenal fall in price levels in all gold standard countries. Of this there is the most overwhelming evidence.

DISASTROUS EFFECT OF THE RISE OF GOLD !

Under the influence of the great and continuing fall in prices thus caused, good corn-growing lands within 20 miles of London have been driven out of cultivation, just as Jacob tells us (*see* Vol. 4 of our Evidence, Appendix A IX., page 531) the once fertile province of Campania near Rome was, in ancient times, under the influence of the long continued fall in prices which accompanied the contraction in the Roman supply of the precious metals in the centuries following the reign of Augustus.

The contraction which we have been suffering from unlike that is not due, as we have seen, to any natural and unavoidable cause, not as that was to any failure of the mines—but is *entirely owing to human legislation*, interdicting and restricting the old free use of one of the two precious metals. The removal of these new restrictions, and a return to the ancient freedom, is therefore the obvious remedy to the existing depression, *the real root of which is the continuing fall in prices*. It is this fall which is *the key* to the ruinous condition of agriculture.

PREVIOUS AGRICULTURAL DEPRESSION !

18,814-5,
18,832-3.

The numerous inquiries into the agricultural depression which was suffered after 1819, were fruitless as regards benefitting agriculture. Parliament had forbidden the currency part of the question to be dealt with. And as this was the real root of the depression then, no dealing with other minor causes which they could recommend could be effective.

Our predecessors (the Richmond Commission), who were appointed in 1879, and who reported in 1882, were equally unsuccessful. They made several recommendations, most of which have been carried out, but in spite of this we find the industry now very greatly more depressed than then.

They made no recommendation dealing with the *real cause of the distress*, viz., the fall in prices. That fall, and the consequent suffering of the industry have become *very much more acute now*. *This fall is the real disease*. Unless its progress is arrested, there can be no agricultural recovery.

This paper points out the plain and obvious cause of at any rate a large part of the fall. And unless that cause is dealt with, arable cultivation in Great Britain must steadily diminish.

Extension of Railways and Telegraphs and Cheaper Carriage by Sea and Land.

Some witnesses have considered that these have had much to do with causing the fall. There have unquestionably been very great extensions of comparatively easy communication, and very great reductions in charges and freights; of this there is ample evidence.

If the fall in prices had been confined to importing countries, such as Great Britain, or had been heavier here than in exporting countries, there would have been much force in the contention that these cheaper facilities accounted for it. But the evidence given before us shows that *the fall in prices has been quite as great in the exporting countries* (always excepting the silver-using countries) as here! The new and increased facilities for sending their produce to foreign markets might naturally have been expected to tend to *raise* prices in exporting lands. But, inasmuch as their prices have fallen as much as ours, it is plain that lower freights, &c. do not account for the fall.

No doubt the increased facilities afforded by telegraphs, new railways, and improved sea carriage tend to *equalise* prices all over the world; but they in nowise account for a fall which extends equally over all gold standard countries, whether importing or exporting.

The fall in prices has *not* extended to countries where silver is standard. If it were due to any of the causes we are now discussing, it is difficult to see why silver standard countries should be exempted from it, as they certainly have been.

CURSE OF AN APPRECIATING STANDARD.

The great disadvantage at which producers in a country with an appreciating standard of value are placed in comparison with producers who are fortunate enough to live where there is a stable standard, has been made very plain in our inquiry. 3452, 4771-8.

Since the great divergence between gold and silver following upon the changes of 1873 has been in progress, the producer in a silver country has been able to sell his produce for less and less gold, still keeping his own price in silver unchanged. To such an extent has this proceeded, that during 1895 wheat from India, for instance, could be sold here for half a sovereign while returning to the Indian farmer as many silver rupees as he would have received prior to 1873 when selling the same quantity for a whole sovereign! In this extraordinary state of things, wherever this Indian wheat has come, to be sold at this reduced price, it has filled with dismay producers in every gold standard country. It could be sold at half its old price.

To meet this unnatural competition the continental nations have been driven to try to protect their producers by import duties. But in spite of the duties the fall has still proceeded, and has outrun the duties.

The competition of countries like the Argentine Republic, using inconvertible paper, has been still more formidable to our farmers. Owing to the great depreciation of that money in comparison with gold, each sovereign taken here for their produce has at times changed into 3*l.* 10*s.* (17½ dollars) of their paper money! Wheat laid down here at 18*s.* a quarter thus returned 63*s.* to them. And, in payment of taxes, labour, rent, &c. in the Argentine, this paper money goes nearly as far as ever. Articles imported from Europe to them have no doubt to be paid for by them at a much higher rate than before. But, as the Argentine farmer probably sells 50 times as much as he buys, he is greatly advantaged by this extraordinary state of things. And it is very noticeable that the enormous increase in production in the Argentine did not begin till after the great rise in the gold premium. 44, 3447, 43,093, 27,293, 43,503.

The competition of Argentina is no doubt the most formidable which the British farmer has to meet. The greater the gold premium the more formidable is that competition to him.

Were the old policy of equal treatment of the two precious metals reverted to, and the volume of the world's international metallic money so increased, it would doubtless also lessen the gold premium in Argentina, and make it easier for that country to get upon a metallic basis. Every step in this direction will lessen the unequal competition with which farmers in gold standard countries now have to contend.

The above facts show that appreciating money, such as gold has been lately, is an enormous discouragement to agricultural producers. And they explain why it is that agriculture in the gold standard countries all over the world is in sore depression; while those with silver as their standard, or with inconvertible paper, have escaped.

Again the world is seeing the fact emphasised, that expanding money brings agricultural prosperity, and contraction of money depression.

And again it is made evident that the way, and probably the only way, to remove the present depression and to replace it by the former prosperity, is to remove the new artificial restrictions put upon the full and free monetary use of silver, which restrictions, as we have seen, have been mainly responsible for bringing the depression into existence. Depression has been caused by "protection," and can only be cured by return to "freedom." Free mints are the suitable companions of free ports. It is very notable how the closing of mints has stimulated the closing or partial closing of ports. To return to freedom of both, is the better way. Legislation restricting the former free supply of money has caused the fall in prices, and the agricultural distress; and legislation restoring that former free supply, is the proper and only remedy. 254, 6360-6, 386, 16,652-3, 3,399-710, 3,633-7.

The experience of the past affords good reason to believe that the expanding money supply which a return to free coinage would bring with it, would be beneficial to *all* productive industries. Effects similar to those which followed the expanding monetary supply of the great gold discovery period, it may reasonably be expected would follow a return by the principal civilised nations to the old free use of both the precious metals.

(Signed) ROBERT LACEY EVERETT.

REPORT BY MR. GEORGE LAMBERT.

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REPORT.

I.—REASON FOR DISAGREEING WITH THE MAJORITY.

1. It is with great regret that, whilst agreeing with the chapters on "The fall in prices," "Foreign competition," "Sale of mortgaged land," "Dairying," "Railway rates," "The sale of adulterated products," "Sale of imported goods as home produce," "The sale of cattle by live-weight," "The Board of Agriculture," and "Agricultural education," I am unable to sign the Majority Report.

In my view, with these exceptions, the report is cast in a landlord mould. The landlords' losses are exaggerated, the tenants' losses are minimized. Rent is regarded as sacred, and insufficient reductions of rent are carefully ignored. The suggested amendments of the Agricultural Holdings Act are hopelessly inadequate, the land tenure chapter evinces a bias totally foreign to judicial consideration, and no real relief to the tenant farmer is suggested.

2. I regret also that the Press were excluded from the Commission, and that the Minutes of Proceedings and the Division Lists were denied publicity.

Much time was lost by the adoption, as the basis for discussion, the consideration, and the amendment of a report, most of which afterwards was abandoned, thus adding to the prolongation of the proceedings.

3. An interesting light is thrown on the bias of the majority by a report being rushed through the Commission to relieve the rates on land, from which Sir M. Hicks-Beach thinks it is admitted that "the owner of the land will have an advantage;" while special recommendations were refused for amending the Agricultural Holdings Act, which would have strengthened the tenant in making a bargain with the landlord.

4. The recommendation of the Richmond Commission that "all rates in future should be borne equally by owners and occupiers" was also negatived, so that the landlord during a tenancy bears no share of any increased rate, which though improving his property, wholly falls on the tenant.

II.—INSTANCES OF SUCCESSFUL FARMING.

5. The Commission has devoted much time in taking evidence as to the existence of agricultural depression, a fact which might have been taken for granted. Incidentally, instances have been given of fairly successful farming. It is most important to observe and encourage the adoption of systems which have best withstood competition and hold out the best hopes of success in the future.

In Essex, the county most depressed, on a farm of 950 acres, two-thirds arable, one-third pasture, Mr. Pringle reports: "The moment he (the tenant) commenced keeping cows and selling milk, his books began to show a profit instead of a loss," and "by adopting a mixed process of farming, by the sale of corn, barley, and milk, and partly by the sale of hay, he has succeeded in making a fair profit during the last six years, with the reduction of rent," from 1,184*l.* to 741*l.* a year. The reduction of rent here made all the difference between profit and loss.

An instructive instance of five farms, 3,355 acres, all under one management, is given; two farms consist of 32·3 per cent. pasture, and "dairy cows are kept in large

May 6, 1897.
Hansard,
vol.
XLVIII.,
p. 1633.

Essex,
page 54.

8862.

Pringle,
Essex,

numbers." The annual profits have been 2,365*l.* 10*s.*, or 10 $\frac{7}{10}$ per cent. on a capital of 22,000*l.* On the other three farms with only 12·1 per cent. grass, unsuitable for dairying, the average profits have been only 1 $\frac{1}{2}$ per cent. on a capital of 12,300*l.* page 53,
par. 107.

Mr. Strutt, farming 4,000 acres, has, by selling milk in London for the past eight or nine years, paid a moderate rent of 17*s.* or 18*s.* per acre and has made 6 per cent. on a capital of 32,000*l.* He has found it necessary to lay down 600 or 700 acres in grass. 13,812.
13,814.
13,822.

Mr. Pringle draws an interesting parallel between the English and Scotch systems of farming in Essex: "The Englishman cultivates his land and tries to pay his way by corn-growing alone or by combining corn-growing with stock-feeding and cow-keeping. His expenses in labour, manures, seeds, and general farm management are heavy. The Scotchman carries out the temporary pasture system, keeping as small an acreage in cultivation as possible, and cutting expenses down to the lowest working figure. The Essex farmer is not afraid of a labour bill exceeding 2*l.* per acre; the Scotchman cannot endure the thought of any such expenditure in order to produce corn at low prices. The Englishman must and will farm his arable land well; he cannot bear to see it lying in grass which does not carry a heavy head of stock. The cautious Scot farms, not for show, but for profit, and so long as grass continues to pay something over and above rent he does not disturb it. On one of the best Scotch farms in the county I found the land apportioned as follows:— Essex,
par. 69.
English and
Scotch
systems of
farming
contrasted.

Old grass, including permanent pastures laid down by tenant	-	318	acres.
Temporary pastures, one to six years old	-	247	„
Under the plough	-	71	„
		<u>636</u>	„

The "Scotchmen work hard and live hard. They spend nothing except on their cows." "I am clearly of opinion that the great majority of Scotch settlers have held and are holding their own." Par. 73.
Par. 78.

A farmer of 1,500 acres, at a rent of 17*s.* per acre, near Chelmsford sold "hay and straw in the London market," and by "feeding bullocks" made a fair profit. He sold "185*l.* worth of poultry last year," which was "the most profitable part of his business." He attaches "very great importance" to freedom of sale of produce. Matthews,
61,504.
61,562.
61,477.

Mr. Wilson Fox reports from Lincoln that a farm of 666 acres pasture and 334 arable showed a loss from 1879 to 1885 of 701*l.* 9*s.* 6*d.*, this from 1886 to 1893 by the institution of a dairy, was transformed into a profit of 968*l.* 18*s.* 2*d.* Report,
Lincoln,
par. 156.

"Another farmer of 300 acres went in for milk in 1886. He got his landlord to put up more sheds for him, and he himself has laid down over 50 acres to grass. . . Speaking of the results of the business, he says, 'Most certainly this has done much better for me than sticking to my 'old course.'"

Successful poultry farming also is remarked on in the report. "Plenty of young farmers' wives on 200 acres make over 100*l.* a year." A farmer on 300 acres in North Lincoln says, "I started poultry and eggs a year or two ago, and I find that pays." Par. 156.
Par. 161.

Of market gardening "it was impossible to get any accounts from market gardeners, but I fancy many of them who are not freeholders paying heavy interest are doing pretty well, notwithstanding decreased profits from home and foreign competition." Par. 164.

From Essex Mr. Hunter Pringle concludes that "It is no exaggeration to say that this change (the extension of dairy farming for London) has been most beneficial to the farmers who made it." Pringle,
Essex, par.
133.

Mr. Dewar, Norfolk, considers "that poultry has paid better than any other branch of stock this last year or two," that this year he will get 150*l.* for eggs, the gross expenditure would not be more than 70*l.* 31,786.
31,787.

Mr. Hunter Pringle from the Midlands says, "Invariably I found that where such branches of farming as horse-breeding and dairying had been introduced, good results had followed," and he saw "no reason to believe that the events of the past 19 years had proved so damaging to agriculture in those districts where sheep-breeding, milk-selling, and cheese-making were the leading branches of industry, as they undoubtedly have been on arable land where corn is largely grown." "Wherever expenditure was kept down, and a good deal of milk and hay sold, complaints of depression were very mild." Report,
Bedford,
Par 116.
Par. 22.
Report,
Yorks,
Par. 24.

Report,
Bedford,
Par. 30.

Mr. Aubrey Spencer thinks, speaking generally, the Scotch and Cornish settlers have fared better than the native Hertfordshire farmer, inasmuch they have been more ready to adapt themselves to the altered circumstances affecting agriculture.

42,191-2.

Mr. J. F. Hall, in Somerset, by dairy-keeping with Jersey cows on 40 acres arable, 40 acres rough, and 80 acres pasture, has made a rent of 25s. per acre and a substantial profit besides.

Minutes of
Evidence,
Vol. IV.,
App. I.

Lord Leicester, in a letter to Mr. Shaw Lefevre, expresses his practical opinion that "to the present system of farming every description of land under the four-course system, I attribute much of the ruin that has fallen on landlord, tenant, and labourer. . . . My farm consists of 879 acres of arable land, beside permanent pasture formerly farmed under the four-course system. At the present time 524 acres are laid down to temporary pasture varying from 1 to 16 years. . . . The financial result has been very satisfactory."

Heathfield,
Report,
Par. 55.
Cambridge,
Report,
Par. 5.
44,548.
41,490-1.
41,864-5.
60,713-4.

Mr. Rew, in his report, sums up thus:—"There can be no doubt that poultry rearing has been, I will not say an antidote to, but an alleviation of, agricultural depression in the Heathfield district."

Mr. Wilson Fox in Cambridge, Mr. Woodward, Worcester, Mr. Reynold, Gloucester, Mr. J. K. Kirkby, Swansea, and others, have given evidence of the success that has attended the cultivation of fruit and vegetables where the land is suitable and reasonable railway rates are within reach.

In 1875, 50,999 acres were devoted to market and nursery gardens, but this area has gradually increased to 106,127 acres in 1895.

6. These examples show that where well-advised changes have been adopted, the financial result has not been unsatisfactory. Unfortunately of late years the tenant farmers have suffered such severe losses that they are discouraged from embarking on any new enterprise.

III.—EFFECTS OF DEPRESSION ON OWNERS.

7. The report, by exaggerating the losses of the landowners, seeks to divert attention from the undoubted fact that tenant farmers are suffering under a burden of excessive rents.

Report,
par. 79..

8. The attempt to show that the capital value of land has decreased 50 per cent. by taking two different authorities, Sir Robert Giffen and Sir Alfred Milner, the former of whom estimated the value of land at 30 years' and the latter at 18 years' purchase, is misleading. If any fair comparison is made, it must be upon the same data.

9. Although confidence in land as an investment has been shaken, it would be difficult to find any selling at 18 years' purchase. Twenty-five to 30 years' purchase would be nearer the mark for land of average quality.

Lushington,
1635.

10. Again, that rentals have been reduced 50 per cent., except in limited areas, is contrary to the evidence. Probably, in the case of a large estate, the treasurers of Guy's Hospital have made the largest reductions, viz., in Essex of 60 per cent., in Lincolnshire 46 per cent., in Hereford of 30 per cent.

De Bock
Porter, 369,
389.

11. The Ecclesiastical Commissioners, with 279,000 acres, in nearly every county has made since 1880 (when rents were at their highest) reductions averaging 25 per cent.

Kingscote,
3, 16.
151.
149.

12. The reduction on the Crown estates of 69,500 acres has been from 1*l.* 10s. to 1*l.* per acre, or about 30 per cent. The management of these estates has been liberal, inspired with a desire "to live and let live," and the tenants are "satisfied with the reductions made to them."

Report,
par. 76.

13. The Income tax (Schedule A.) returns are quoted to show how severely landowners have suffered, but as the extent of the fall, viz., 22·2 per cent. in Great Britain, indicated by these returns since 1879-80, when rents were at their very highest, does not fit the views of the majority, elaborate explanations are entered upon to prove that the income tax returns "are far from indicating the full extent of the decline in the rental value of purely agricultural land."

14. That 20 or 22 per cent. is about the average reduction in the rental value of land generally, is also borne out by the following table containing an abstract of the estate

accounts presented to the Commission, showing the variation of the rents actually received in 1878 and 1892, with the rental per acre and the reduction per cent. :—

ENGLAND.

Estate.	Year.	Acreage.	Rent actually received.	Average Rent per Acre	Reduction per Cent.
I. Westmoreland: Underley Estate.	{ 1878 1892	{ 20,394 22,443	{ £ 23,163 20,650	{ £ s. d. 1 2 8 } 0 18 5 }	18·75
II. Yorkshire: Earl of Harewood's Estate.	{ 1878 1892	{ 28,102 28,193	{ 37,627 31,792	{ 1 6 2 } 1 2 7 }	13·69
III. An Estate in Cheshire	- { 1878 1892	- { 15,922 15,922	- { 34,345 32,022	- { 2 3 2 } 2 0 2 }	6·94
IV. *Cheshire: Eaton Estate	- { 1883 1892	- { 14,565 14,318	- { 25,050 23,769	- { 1 14 9 } 1 13 2 }	4·55
VI. †Estates in Notts, Derby, Lincoln and Worcester.	{ 1881 1892	{ 45,000 45,808	{ 32,492 28,504	{ 0 14 5 } 0 12 0 }	16·76
VII. Lincoln and Rutland: Earl of Ancaster's Estate.	{ 1878 1892	{ 53,049 46,648	{ 85,850 59,467	{ 1 12 4 } 1 5 6 }	21·13
VIII. Norfolk: Holkham Estate	- { 1878 1892	- { 44,571 45,096	- { 59,455 44,305	- { 1 6 8 } 0 19 7 }	26·56
IX. Cambridgeshire, Northamptonshire, and Huntingdonshire.	{ 1878 1892	{ 23,188 22,845	{ 44,296 27,963	{ 1 18 2 } 1 4 5 }	36·02
X. Estate in Suffolk	- { 1878 1892	- { 2,712 2,712	- { 4,184 2,748	- { 1 10 9 } 1 0 3 }	34·14
XI. Suffolk: Orwell Estate	- { 1878 1892	- { 15,287 11,770	- { 20,656 10,615	- { 1 7 0 } 0 18 0 }	33·33
XII. Suffolk: Hon. W. F. D. Smith's Estate.	{ 1878 1892	{ 4,654 3,391	{ 6,116 3,677	{ 1 6 3 } 1 1 8 }	17·46
XIII. Estates in Beds and Bucks	- { 1878 1892	- { 31,516 25,401	- { 52,572 32,341	- { 1 13 4 } 1 5 6 }	23·50
XIV. Gloucester: Berkeley Estate	- { 1878 1892	- { 17,547 17,720	- { 37,422 30,996	- { 2 2 7 } 1 14 11 }	17·80
XVI. Estates in Devon: Cornwall and Dorset.	{ 1878 1892	{ 24,368 24,792	{ 36,362 34,408	{ 1 9 10 } 1 7 9 }	6·98
XVIII. Estate in Northumberland	- { 1878 1892	- { 10,745 11,180	- { 9,034 7,780	- { 0 16 9 } 0 13 10 }	17·41
XX. Wilts: Sir J. D. Poynder's Estate.	{ 1878 1892	{ 5,701 6,581	{ 6,668 5,791	{ 1 3 9 } 0 17 7 }	25·96
XXII. Yorkshire (West Riding): Bolton Abbey Estate.	{ 1880 1892	{ 14,321 13,861	{ 11,873 8,742	{ 0 16 6 } 0 12 7 }	23·73
XXIII. Derbyshire: Duke of Devonshire's Estates, also XXIV., XXV., XXVI.	{ 1878 1892	{ 35,116 34,430	{ 43,655 38,712	{ 1 4 10 } 1 2 6 }	9·73
XXVII. Estate in Suffolk	- { 1878 1892	- { 6,145 5,545	- { 10,237 5,885	- { 1 13 4 } 1 1 3 }	36·25
XXVIII. East Devon: Hon. Mark Rolle's Estate.	{ 1878 1892	{ 15,520 15,520	{ 24,614 22,980	{ 1 11 8 } 1 9 7 }	6·57
XXIX. North Devon: Hon. Mark Rolle's Estate.	{ 1878 1892	{ 28,626 22,670	{ 20,778 19,318	{ 0 17 7 } 0 17 0 }	3·31
XXX. Sussex: Goodwood Estate	- { 1878 1892	- { 14,247 11,948	- { 18,550 13,878	- { 1 6 0 } 1 3 2 }	10·89

Average decrease in rent between 1878 and 1892=18·7 per cent.

* The accounts of this estate are only given from 1883.

† " " " " 1881.

SCOTLAND.

Estate.	Year.	Acreage.	Rent actually received.	Average Rent per Acre.	Reduction per Cent.
			£	£ s. d.	
Estate in Wigtown - - - {	1878	—	41,739	—	—
	1892	—	34,650	—	
Estate in Roxburgh - - - {	1878	16,138	23,492	1 9 1	27·50
	1892	16,177	17,058	1 1 1	
Renfrewshire : Mr. Gilmour's Estate - {	1878	16,316	11,405	0 14 0	Inc. 7·73
	1892	16,316	12,280	0 15 1	
Renfrewshire : Mr. Speir's Estate - {	1878	8,611	15,399	1 15 9	13·05
	1892	8,578	13,331	1 11 1	
Peebles : Earl of Wemyss' Estate - {	1878	39,285	13,359	0 6 10	31·70
	1892	39,285	9,212	0 4 8	
Estate in Ayrshire - - - {	1878	16,292	18,495	1 2 8	11·76
	1892	16,292	16,310	1 0 0	
Estate in Midlothian - - - {	1878	3,617	9,957	2 15 1	19·81
	1892	3,612	7,981	2 4 2	
East Lothian : Earl of Wemyss' Estate {	1878	6,804	17,240	2 10 8	32·73
	1892	6,804	11,605	1 14 1	
Fifeshire : Mr. J. Balfour's Estate - {	1878	8,077	11,486	1 8 5	26·97
	1892	8,368	8,672	1 0 9	
Argyllshire : Duke of Argyll's Estate - {	1878	16,000	28,260	1 15 4	18·39
	1892	15,000	21,600	1 8 10	
Perthshire : Marquess of Breadalbane's Estate. {	1878	437,696	55,339	0 2 6	23·33
	1892	437,696	41,791	0 1 11	
Aberdeenshire : Earl of Aberdeen's Estate. {	1878	43,050	40,532	0 18 10	3·98
	1892	42,704	38,689	0 18 1	
Duke of Richmond's Estate - - - {	1878	49,000	49,651	1 0 3	14·40
	1892	49,000	42,373	0 17 4	
Earl of Strathmore's Estate - - - {	1878	14,453	23,417	1 12 5	22·62
	1892	14,453	18,126	1 5 1	
Ayrshire and Kirkcudbrightshire : Sir Oswald's Estate. {	1878	32,949	34,051	1 0 8	17·33
	1892	32,994	29,644	0 17 1	
Sutherlandshire : Earl of Sutherland's Estate, Arable {	1878	9,535	10,515	1 2 1	28·30
	1892	10,790	8,527	0 15 10	
Hill and Mountain - - - {	1878	1779,697	29,854	0 0 9	44·44
	1892	636,224	14,497	0 0 5	
Argyllshire : Poltalloch Estate - - {	1878	—	19,817	—	—
	1892	—	17,358	—	
Perthshire : Earl of Ancaster's Estate - {	1878	75,140	24,026	0 6 5	19·48
	1892	75,140	19,506	0 5 2	
Berwickshire : Edington Estate - {	1878	3,792	7,558	1 19 10	33·05
	1892	3,792	5,059	1 6 8	

Decrease in rent between 1878 and 1892=21·17 per cent.

15. By this it will be seen that the variations in the rent actually received in 1878 and 1892 ranged from an increase of 7·73 per cent. in Renfrewshire to a decrease of 36·35 per cent. in Suffolk, or an average reduction of less than 19 per cent. in England and 22 per cent. in Scotland.

These accounts, being based on actual figures, are much more accurate than mere estimates.

16. That such reductions of less than 20 per cent. are inadequate must be apparent. In analysing the farm accounts, the Majority find that one-third of a farmer's outgoings consists of payments for labour. Labour has happily not decreased in

value, and the farmer has to pay the same amount for labour as 20 years ago. Presuming the case of a farmer whose sales before the fall in prices amounted to 300*l.* a year, he paid 100*l.* a year or one-third for labour, leaving 200*l.* a year for rent and other outgoings. The majority state that prices have since declined on an average at least 30 per cent. The same amount of produce would now make 210*l.*, or a decrease of 30 per cent. The labour bill is the same, viz., 100*l.* a year, leaving only 110*l.* for rent and other outgoings, for which formerly 200*l.* a year was available. Report, page 87, par. 306.

17. The one item of rent paid to the landlord in these estate accounts has not decreased to such an extent as the average price of the produce with which the farmer has to make the whole of his payments. Mr. Bowen Jones emphasises this point: "In the last 20 years my returns have fallen 1,800*l.* a year, and my rent and rates have fallen only 300*l.*" Mr. Epton, a large Lincolnshire farmer, stated his returns had decreased by 2,600*l.*, but his rent by only 1,000*l.* a year. 44,738.
35,852.
35,870.

IV.—EVIDENCE OF EXCESSIVE RENTS.

18. While in no way desiring to minimise the losses of landowners, there is evidence from almost every county proving that tenant farmers have suffered severe losses through their rents not having been reduced to meet the altered prices of agricultural produce.

19. Their grievances as to rents may be summarised as follows, that—

1. Reductions of rent have been inadequate.
2. They were tardy and too long delayed.
3. Concessions were made to new but denied to old tenants, especially if good farmers.
4. Farmers are paying rent out of capital, and are rented on their own improvements.

20. The report, however, studiously ignores this phase of the question, and, dismissing the tenant farmers' evidence as "interested," concludes with the assumption "that rents generally have adjusted themselves, or will soon adjust themselves, to the conditions of the farming industry." The best reply to this conclusion will be to append some of the evidence bearing upon it. Report, par. 439. Par. 443.

Mr. Cocks, Devon: "A large number of tenant farmers in Devonshire are paying rent out of capital." 1976.

Mr. Kidner, Somerset: "Farmers manage to pay rents—those who do pay—by good cultivation and drawing on their capital in a great many cases." "In the case of the greatest reduction has been made to the new tenant where the old tenant could not possibly obtain it." 2884. 2741.

Mr. Martin, Cambridge: "I think the major part of the rent is being paid out of the farmer's capital." 3996.

Mr. J. Rankin, M.P.: "I think no doubt tenants have paid a large amount of rent out of capital." 5742.

Sir M. Hicks-Beach, M.P.: "I believe the capital of tenant farmers has very much decreased." 6142.

Mr. O. D. Johnson, Suffolk: "Several old tenants have given up their farms, being unable to get a sufficient reduction in rent." "A great many farmers have been ruined." "Some of them would have been able to tide over their difficulties had they received a reduction of rent sooner." 7812. 7813. 7815.

Mr. Stratton, Hampshire: "Thought 'rents had been driven up much too high some time ago by amateur farmers and a sort of land hunger.'" "They were gradually getting down, but things were not satisfactory at the present rents, and the only thing we can see to alter is the rent." 6479.

Mr. Carrington Smith, Staffordshire: "Old tenants who remain in their farms do not get as large reductions of rents as new tenants." "There has been no fall of rent at all in medium sized farms, principally pasture"; "average reduction of the whole county about 10 per cent." 9705. 8085. 8062.

Mr. Parker, Cheshire: "There has been no general reduction of rent in his district." 10,404.

Mr. Wyatt, Somerset: "A very large proportion of the last few years' rent has been taken out of tenants' capital." 11,052.

Mr. Wilson Fox, Sub-Commissioner: "I think the majority of farmers are complaining at the present time that they have not had a sufficient reduction in rent." 11,310.

- 13,341. Mr. Rolleston, Leicester, "is afraid that greater concessions are conceded to incoming tenants than to tenants in possession." "Tenants have paid a very large amount of rent out of capital."
- 13,651.
- 14,810. Mr. Bomford, Warwickshire: "Reductions of rent were not made soon enough, thus farmers, as a class, lost their capital in a great measure."
- 15,096. Mr. Punchard, Westmoreland: "Farmers' capital has gone down from 20 to 30 per cent." "No doubt in some cases that that has been paid in too much rent."
- 15,497. Mr. Broughton, Yorkshire: "Some farmers have lost all their capital." "They continued to pay rent . . . there are very many cases where they do not, and where they have been continuing in arrears for years."
- 15,498.
- 17,414. Mr. S. Rowlandson, Yorkshire: "Those who who farm their lands highly have suffered more than those who have not, because in many cases they have not got that proportion of reduction of rent, which some of those who farm badly have received."
- 17,749. Mr. A. Pell, Northampton: "An immense capital has been lost by farmers."
- 17,784. "Farmers would be justified in going in strongly for reduction of rent."
- 21,378. Mr. Sparks, Leicester: "Tenant farmers all say they have been paying rent out of capital, and have been doing so for the past four years."
- 22,226. Mr. Cooke, Cheshire: "A great many men are paying rents which the products of the farm will not justify."
- 22,678-9. Duke of Richmond: "Sussex tenantry have lost much capital since 1870."
- 23,198. Mr. Ferguson, Perth: "There is no doubt that some farmers get into difficulties owing to having to pay too much rent."
- 25,700. Professor Long, Hampshire: "I most distinctly think that the most excessive rents paid out of the capital of the farmers have also contributed to the depression of agriculture."
- 26,229. Mr. T. Parton, Cheshire: "Farmers are not satisfied with the rents that they are paying now"; "there have been no permanent reduction of rents, only temporary remissions."
- 25,974-8.
- 30-278. Mr. Scott, Northumberland: "Tenants paying their rent out of capital is the reason of a certain amount of deterioration in farming operations."
- 31,397. Mr. Wilkinson, Northumberland: "You cannot get a sufficient reduction of rent to meet the requirements of the times."
- 32,165. Mr. Forster, Northumberland: "The fall in rents has not generally been sufficient to meet the situation." "Had to leave a farm as they wanted to rent one on my own improvements."
- 33,613. Mr. W. H. Lander, Shropshire: "The farmers have been paying rent out of capital";
- 33,684. "they do not know how to alter it." "Agents do not sufficiently consider old tenants";
- 33,648. "they often put in new men to maintain a certain standard of rent which they can quote as an example to other tenants on the estate."
- 34,689. Mr. Olver, Cornwall: "The farmers' capital has diminished in a greater degree per cent. than the landlords' capital."
- 35,518. Mr. Finney, Leicester: "Farmers' capital has decreased through losses in having to pay their rents."
- 36,088. Mr. Epton, Lincoln: "Pays 1,200*l.* a year rent." "All my profit is gone, and I am losing money besides."
- 36,085. "The tenants are losing a good deal more than the landlords now."
- 35,691. Mr. G. Brown, Northampton: "Thought the rents must come down."
- 36,654-5. Mr. Duckham, Hereford: "Farmers have lost their capital very seriously, and many have become bankrupt."
- 37-800. Mr. Latham, Berks and Oxon.: "The effect upon tenants has been almost absolute ruin. They have been paying rents out of capital for such a length of time that they are very much reduced in their mode, method, and capacity of farming."
- 39,462-5. Mr. Herman Biddell, Suffolk: "A great many good and industrious farmers lost all they had." . . . "they were paying rent during that time."
- 39,697. Mr. Treadwell, Buckinghamshire: "Farms a little over 900 acres on the estate of Baron de Rothschild." "His present rent is 1,344*l.* 2*s.*, with 20 per cent. abatement for the past two years." "I am losing my capital year by year." "The wages of labourers have, without doubt, been paid out of capital for the last few years."
- 39,707. "Further reductions of rent must be made as the present ones cannot be paid."
- 39,866. Mr. Reynolds, Gloucester: "Farmers' capital has been decreasing owing to their endeavour to pay too high rents."
- 39,865.
- 41,824. Mr. Hutchinson, North Riding (winner of the Royal Agricultural Society's first prize for the best managed farm in 1883): "Men who farm best get the least reduction of rent." "Land is deteriorating. Farmer has not sufficient capital because his capital
- 43,773.
- 43,730.

is going. We are losing money year by year." "I get the least reduction of any tenant, because I farm my place well."

Mr. G. F. Baker, Northampton: "Farmers think they cannot pay the expenses and cultivate the land to a profit at the present rent." 47,256.

Mr. Stuart, Banffshire: "You said just now there were six tenants bankrupt out of 14. I presume they had been paying rent the whole of the time?—Yes. And the reduction of rent—33 per cent.—took place when the tenancy changed?—When the new tenant got the farm. Did the old tenants get any reduction?—The old tenants were refused a reduction in several of these cases. Although by-and-by at that rent they became bankrupt?—They did." 52,061. 52,062. 52,063. 52,064.

Mr. Britten, Northampton: "Knew instances where landlords had not remitted any of the rent." "There are cases where new tenants have had greater reduction than the old ones have been offered." 56,458. 56,549.

Mr. Powell, Worcestershire: "Pays 47s. 6d. per acre rent"; lost 700l. last year"; "farmers appear to be getting lower every year"; "they are continually agitating to get rents reduced, some succeed and some have to go on." 61,766. 61,771. 61,819. 61,913.

Mr. Pringle reports that rents are everywhere too high, neither reductions nor remissions being adequate to the necessities of farmers. When reductions come they had been too long delayed and were not large enough. Report, Yorkshire, par. 59.

Mr. Turner reports: "That reductions of rent did not take place soon enough to save the original tenants." Somerset, par. 66.

Dr. Fream reports: A tenant farmer alleges one cause of the present state of agriculture. "The disinclination and refusal of landlords in most cases to meet their tenants." "Some, not all, were offering 15 to 20 per cent. abatements, when, as has been the case for the last two years, more than rent has been lost." A farmer wrote him: "So long as any balance was thought to be at the bankers no reduction was made." Hants, par. 69. Par. 71.

Dr. Fream also reports from Kent: "In cases where fair and reasonable rents were maintained in good times tenants have been held together, but on other estates where old tenants were got rid of for the sake of others willing to pay higher rents, the effect has been disastrous. Unduly high rents were accompanied by short tenancies. The tendency of such a policy has been ruinous." Kent, par. 17.

"A generation of farmers has been ruined through the lack of timely concessions." par. 18.

Mr. Spencer reports he heard complaints "that good farmers did not obtain reductions to the same extent as the bad ones, and that where tenants remained in their holdings rents were not reduced so much as would be the case if they had left, and the land had been relet to new tenants. He also met farmers who complained that they had no reduction at all. One, an arable farm near Hatfield, farmed very highly, the rent was 27s. per acre, the same as it was 20 years ago." Hertfordshire, par. 40.

Mr. Hunter Pringle, Sub-Commissioner: "The 14 years which elapsed between 1880 and 1894 abounds with examples of the *protracted ruination of farmers*." "The evidence points to a repetition of the feature of the depression 1836; that rents were being paid not out of profits but out of capital." "The industry of agriculture since 1880 distinctly proves that remissions and deductions were far too long delayed." "Old tenants have been got rid of simply because the rent which they considered fair between man and man was not so regarded by the landlord or his agent; others have been leant upon because they were known to be well to do, attached to their farms, and likely to pay excessive rents rather than leave. Frequently the farms so vacated have failed to fetch even the rents offered by the old tenants, and have subsequently been let at still greater reductions." Report, Bedford, &c., par. 32. par. 28. par. 29. par. 179.

"Both in Durham and Yorkshire I heard of numerous cases where landlords had sent away good tenants owing to disagreement upon the question of a fair rent, and after a time had been forced to accept lower offers from strangers. Even on the largest and best estates such occurrences have taken place, but they are more frequent upon small and poor properties." Report South Durham, par. 74.

Mr. Rew reports that it was "a common thing for a protest to be made against the present rents as excessive, and to say landlords ought to reduce them." He mentions a case in which an occupier had been occupying 500 acres for 35 years, that up to four or five years ago he had held it on lease. It was then revalued by a well-known valuer who put it at 520l., but the agent asked 570l. or 50l. more than the valuation, and the tenant was obliged to agree or quit. North Devon, par. 40. 48,931.

Mr. Speir reports from Scotland: "Everybody is of opinion that nothing can rid agriculture of the millstone which hangs about its neck so much as a re-adjustment of rents in accordance with present prices." "The majority thought that if only rents Report, Ayr, par. 55.

- Par. 17. were made proportionate to the value of farm produce and the cost of growing it, there was no reason why farmers might not yet do very well," but "if the rent is wrong, no amount of legislation in other directions will make the farm right."
- Par. 53. 21. It is impossible, as it appears the majority desire, to ignore this overwhelming mass of evidence. It is equally impossible to deny that tenants, in only the rarest instances, have held their capital together, and under present circumstances cannot hope to obtain a modest competence after a life of frugal industry.

V.—TEMPORARY ABATEMENTS OF RENT.

22. In very considerable areas, especially where the land is largely laid down to permanent pasture and devoted to the breeding and fattening of cattle and sheep, or to dairying, poultry keeping, &c., permanent abatements of rent are not common, and although temporary remissions may have been given, there are numerous instances of rents not having been reduced at all.* More especially is this the case in the counties of Cornwall, Devonshire, Lancashire, and Cheshire; in favoured situations in England and Scotland, and in nearly every county in Wales.

Speir, 47,029.
Bear, 27,573.

23. Temporary abatements, however, have been condemned as having "a demoralizing effect," "keeping men always anxious to get abatements and rather indispose them to improve their farms," and placing them in the "position of paupers."

To solicit yearly an abatement of a rent that is permanently too high does certainly place farmers in an ignoble position. Every assertion of the tenants' legal rights against the wishes of the landlord, such as the killing of ground game, may be and is frequently made the pretext for denying a needed reduction of rent. Moreover, in business it is necessary to know approximately the payments to be made, this is impossible when the principal outgoing varies with the annual generosity of the landlord or agent.

Mercer, 27,269.

The light in which tenant farmers regard these abatements is illustrated by Lord Sefton's tenantry preferring 5l. per cent. permanent reduction to 10 per cent. remission of rents.

Pell, 17,780.

Assessment committees also ignore temporary abatements of rent, and base the rating value on the agreed and not the uncertain rent. High rents, therefore, mean high rates.

VI.—ARREARS OF RENT.

Huskinson, 875.
Watson, 3081.
Middleton, 2587-8.
Kidner, 2920-1.
J. Smith, 9688-9.
Worthington, 13,907-10.
Rolleston, 13,354.
Turner, 14,420.
Sir M. Lopes, 17,012.
Ferguson, 23,236.
Pringle, Rede, &c.
Page 28, par. 96.
Pringle, 47,828-30.

24. Evidence has been tendered by reliable witnesses showing to what an extent tenant farmers, many of them hard working and thrifty, are labouring under arrears of rent. This strengthens the evidence of the deplorable condition of an industrious class of men who, even with energy and economy, and sacrificing their capital, have to struggle on with scarcely the possibility of freeing themselves of liability to their landlords.

25. Probably there could be no more paralysing influence on agriculture than the knowledge that those engaged in it are contracting debts which, without a fortunate change of circumstances, they can scarcely hope to liquidate. If tenant farmers had to clear their liabilities to landlord, manure merchant, and other creditors, very many would be left in a bankrupt condition. The calamitous consequence to agriculture of such a contraction of the cultivator's ability to do justice to the land is apparent.

Appendix IV.

26. An examination of tenant farmers' accounts collected by the Sub-Commissioners, a summary of which is appended to this report, reveals the fact that considerable rents have been paid out of the capital of the farmer and not from the profits of the farm. For instance, in Lincolnshire, taking the average of the five years 1890-4, over 17,000l. of tenants' capital has been employed in farming 2,485 acres. 13,233l. 6s. 8d. has been paid in rent, involving an out-of-pocket loss to the tenants of 964l. 3s., in addition to allowing them no interest for their capital. Management expenses are placed against produce consumed in the house.

Report, p. 30, par. 109.

These are the accounts of some of the very best farmers, for, as the majority state, "it should be borne in mind that, *primâ facie*, accounts of this character are presented

* Cocks, 1813-9; Noakes, 3351-6; Holzman, 5989; Squarey, 7594; Smith, 9378; Worthington, 13,036; Rolleston, 13,356; Kay, 14,117; Sheldon, 21,492; Edwards, 25,118; Long, 25,397; Parton, 25,973; Mercer, 27,263; Collins, 37,376; Rew, 48,920; Hughes, 50,587; Roberts, 55,902; Jenkins, 56,891; Jones, 57,963; Fisher, 58,383; Duffield, 58,633; Davies, 59,983; Drummond, 50,163; Kirby, 60,677.

by men of exceptional business capacity, and fairly sound position, and that they, therefore, represent conditions more favourable than the average."

The accounts are a rude shock to the oft-repeated story that landlords have been philanthropists in dealing with their tenants.

VII.—CONDITION OF TENANT FARMERS.

27. One of the most painful features of the inquiry has been the distressful condition of the tenant farmers. They "have seen the great bulk of their earnings or their father's savings, swept away, and with all their industry, pinching, and care they are unable to preserve themselves from a very near approach to bankruptcy." Such is the opinion of Mr. Everett, a member of the Commission. Mr. Wilson Fox describes "the present position of the large majority of Lincolnshire farmers as a very critical one." Mr. Hunter Pringle reports "the ordeal through which the farmers of strong clay have passed since 1879 beggars description," and instances "the cloud of ruined witnesses who might be discovered living on charity or eking out a miserable existence." Mr. Rew from Dorset quotes a land agent, that farmers "are much distressed, and the bulk of last year's rent is in arrear;" and a farmer that "many are ruined."

17,749.
41,182.
3891,853,
875.
18,783.
29,990a.
Report, Lin
coln, par. 101,
Report, Beds,
114, 118a.
Report, Dor-
set, par. 29,
37.

28. Abundant evidence of a like character might be quoted, but a report adopted as a basis for discussion and after abandoned by the Commission, forcibly summed up the situation thus: "Upon a review of the evidence before us, we cannot doubt that all classes of occupiers of land in the greater part of Great Britain have for several years past had to contend with terribly adverse circumstances which have proved ruinous to many, while a larger number are engaged in a hopeless struggle to avert an impending doom."

Suppressed
Minutes,
Page 60,
par. 210.

VIII.—COMPETITION FOR FARMS.

29. There is in nearly every county a competition for farms, often at the old rents, farms being recently "let at higher rents" in Devonshire, and there are "instances of farms reduced in 1886, relet in 1888-1889 at 5 to 10 per cent. more." In the Yorkshire Wolds one land agent had "20 or 30 applications for farms;" "there is a very good competition for farms in Northumberland;" "very much competition in Dumfries, would expect 6 to 10 offerers for a farm of 200l. a year rent." In Wales "the demand for small farms is now very great. I had last week the case of a man who died . . . I have nine applications for his farm now—the men in that country almost fight for a small farm." These are not isolated instances, but typical of a large number of districts. Mr. Aubrey Spencer reports from Trowbridge, "An agent told me whenever he had a small farm to let, he had men coming to him before breakfast, and all through the day, in order to try and get it."

25,126.
48,924.
14,845.
36,397.
30,141.
50,782a.
50,785.
Hughes,
50,510.
17,420.
22,007.
35,286.
40,899.
46,390.
18,062.
24,858.
22,836.
31,429.
48,365.
48,880.
49,013.
49,011.
50,782.

30. Within the last two years the "competition for farms has been keener than usual" in many parts of the country.

In North Devon "the complaint was very general" as to the competition which "of course keeps up the rent," and "acts as an inducement not to make any substantial reduction" of rent. It is obvious, too, that this "keen competition tends to force up prices" of land.

Considering the severe losses of farmers, this competition seems remarkable. The explanation is not far to seek. The area of land is limited, farmers compete for a vacant holding as agriculture is the only business of which they have practical knowledge. A farmer without a farm is restricted as to getting a living, and in order to obtain a farm and thereby a living, a competition, naturally eager, takes place.

Owing to the stress of depression, Mr. Wilson Fox reports that "where the employment of less outdoor labour has been a necessity the land has not suffered because the farmer and his sons have made increased exertions," and hence competition is intensified by the "sons of farmers having been brought up practically as labourers," and "are unfit to follow any other occupation."

25,307.
Report,
Garstang,
par. 20.

There is also a considerable amount of outside competition from "people that are not farmers." Mr. Speir instructively instances Nithsdale, where out of 172 new tenants only 90 were farmers, and no less than 53 being "bankers, merchants, or others entirely unconnected with agriculture." Doubtless these amateurs are attracted by an outdoor life despite the fact that dabbling in agriculture is usually financially disastrous.

314,31,
Report, Ayr,
par. 42.

With most commodities the supply tends to equal the demand; but the area of land in Great Britain is limited, and the number of land occupiers being recruited from so many sources is practically unlimited. One witness observes, "If through technical

55,265.

instruction you are able to raise the price of produce, ultimately it will all go into the hands of the landlord through competition." A competitive rent for a limited commodity, and such a necessary commodity as land, must tend to unduly force up rents.

54,992-3.

Spir,
Report,
Ayr, par. 47.

31. Another dreaded competitor is the "land sucker, a man whose object is to exhaust the cumulative fertility left by another tenant." "Owing to the insecurity of the capital of the tenant, he is at a disadvantage when negotiating with his landlord, for with unexhausted improvements unsecured he is liable to be outbid by new tenants who live for a few years on the unexhausted fertility and then move off."

32. It must in fairness be added that many enlightened landowners like the Duke of Richmond and others do not regard competition as a true test of the rental value of farms. They prefer to adopt the more just test of valuation.

33. It may be urged that landlords are seeking tenants, and, therefore, the tenant can dictate his own terms; this, however, is only the case in limited areas, where the farms are large and the land unsuitable for present day products, and must certainly be taken to be the exception and not the rule.

IX.—ARBITRATION FOR RENTS.

34. The majority of farmers do not approve of any outside interference with rents.

Kidner,
2724.
Smith, 9431.
Parker,
10,444.
Worthington,
12,600-4.
Bomford,
14,777.
Long, 25,754.
Wilkinson,
31,390.
Reynolds,
41,654.

35. Many witnesses of considerable experience, however, distinctly assert that some impartial tribunal is necessary to fix a fair rent. They think it impossible that rents will be adequately lowered while, six, eight or more applicants vie in bidding against one another for one farm, thus giving the owner an undue advantage. It is argued that, if tenants were free and able to meet their landlords on equal terms, they would not continue to pay rents out of capital or consent to be rented on his own improvements.

36. The strongest reasons are adduced that a periodical revision of rent would largely benefit that most deserving class—the improving tenants—who have improved their holdings by a liberal expenditure of skill, capital, and labour, but are powerless to prevent being rented on their own improvements, as by quitting—their only resort—their life's labour is lost and exposed to that competition naturally attracted to a fertile farm.

37. It is urged that, as at present the landlord or his agent fix the rent, the landlord is clearly an interested party in appraising his own property, while the agent has a natural bias in favour of his employer, and that a practical and impartial man would more equitably estimate the value.

Bomford,
17,777.

38. It is not suggested that an arbitrator's aid would be often sought, but such a power would greatly strengthen the tenant in making a fair bargain, and induce the landlord to more reasonably regard the tenant's offers. If, however, such a presumption should be falsified it would illustrate the present tenant's helplessness, and give good grounds for dissatisfaction at the present methods.

39. There are indications that these opinions are gaining strength in the farmer's mind.

2274.

Mr. Kidner thought "it was urgently required that some tribunal be appointed to fix rents."

4850.

Mr. Harris, in advocating protection, "would have a court of appeal with regard to any advance in rent."

9431.

9435.

9448.

9449.

Mr. W. Smith, M.P., introduced a drastic Bill into Parliament for the "establishment of land courts to fix rents," giving "fixity of tenure to existing tenants" and enabling a tenant "to sell his interest during life and bequeath it at death," also "provision made that the court may fix reasonable conditions of tenancy."

12,153.

12,600.

14,777-8.

Mr. J. Hope found "some demand for judicial rents in Aberdeenshire." Mr. E. Worthington would "readjust rents through a land court."

Mr. H. B. Bomford thought "the moral effect of a land court to settle rents would be very beneficial."

22,692.

25,421-2.

27,691.

In cases of disagreement Mr. Cooke decidedly thinks land courts "should decide questions of rent," while Professor Long recommended "judicial rents, free sale, and fixity of tenure." Mr. W. E. Bear would "only use judicial rents as far as it was necessary to secure free sale." In exceptional cases Mr. Wilkinson would "say that the court should fix the rent." Mr. J. C. Reynolds "did not think the old tenants

well able to obtain those reductions without some authority at the back of them in the nature of a land court." As regards the number in favour of a land court for deciding rents, Mr. Speir finds "it is, comparatively speaking, small but very much on the increase" in the south-west of Scotland. Mr. Spencer refers to an Oxfordshire farmer declaring that "many farmers would like a land court, but are afraid to say so." Mr. Nunnally thought if judicial determination of rents could be "fairly provided it would be a good thing." In Essex Mr. Pringle reports "it was suggested that courts of arbitration should be established to which parties who failed to agree upon future rents could repair," but in the Midlands he found that "the ideas of farmers upon the best way of settling disputes about rent and other matters were hazy and indistinct, but agreed upon the main point—an arbitrator in the service of the State with local knowledge." Mr. Rew also gathered the impression from farmers in North Devon, "that it would be quite possible for landlords and tenants not agreeing at the moment as to what the market value of a farm was, to agree to a valuer." Mr. Pringle also reports from Durham that "tenants prefer to arrange rents, if possible, without the intervention of a third party, but, failing a satisfactory agreement, they feel that arbitration should be at hand."

31,394.
41,654.
46,939.
Report, Oxford, par. 40.
56,069.
Report, Essex, par. 158.
Report, Bedford, &c., par. 189.
48,897.
Report, Durham, par. 74.

40. The demand for the fixing of fair rents emanates chiefly from the least depressed districts where competition is keen and rents are thereby maintained.

The importance of a fair rent is obvious. The Richmond Commission emphasised in their report that, "We are of opinion that it will be for the interest of both parties that rent should be so fixed by voluntary agreement as to enable farmers to meet the difficulties of their position."

41. The majority of this Commission, however, studiously suppress any suggestion that rents ought further to be reduced, and consider that "a concurrence of view on the subject of rent has, generally speaking, been arrived at is proved by the fact that the great bulk of the land is still farmed by tenant farmers who have proved their ability in the great majority of cases to obtain from their landlords substantial and presumably adequate reductions of rent."

That this view is not correct the previous evidence proves. Reductions of rent cannot be "presumably adequate" if the rent is paid out of the capital of the farmer, by the exigencies of unlimited competition for a limited commodity.

42. Compulsory interference between landlord and tenant in the matter of compensation for improvements and in the killing of ground game has already been effected by legislation, and no one proposes the repeal of these enactments. Whether such interference is extended to rents will depend upon how landlords meet their tenants. This can only be proved by events following on a period of steady prices. It would not be just to condemn the present voluntary system, because it has not been satisfactory during a period of falling values. No system that could be devised would answer at such a time. At present, however, prices seem to be fairly steady. Farmers insist that, unless prices rise, rents must be further reduced; and if the farmers' capital is still drained by excessive rents, a feeling in favour of judicial rents will be developed which could not be resisted. At present it would be useless to force a system upon a class, the majority of whom now distrust rather than desire it.

43. Many liberal landlords are having their estates revalued and their rents revised in proportion to the reduced price of produce, an example which might well be followed if more drastic demands are to be averted.

X.—AGRICULTURAL HOLDINGS ACT.

44. A large mass of evidence represents the present Agricultural Holdings Act as "a lamentable failure," "practically inoperative," "practically a dead letter," and "perfectly inadequate and perfectly unsuccessful." It is condemned as "complicated," "too expensive and cumbrous in its working." The reports indicate a "strong feeling against the Agricultural Holdings Act," "which is very little used," but "simply neglected." There is an "imperative necessity that the Agricultural Holdings Act should be amended," and the want expressed of a "really effectual Act."

Mr. Clare Sewell Read says, "It pays a man better to leave his land foul and impoverished than it does to leave it clean and fertile." Instances are adduced that tenants at the end of the tenancy ask for "something that will reduce the fertility of the soil, because, if we leave it full of condition, we will be rented on our improvements," the "bulk of the best class of men are getting so frightened, as to say, if we are to have no security we must make preparation," and that certain cases "have

Bear, 27,578.
Smith, 8064.
Olver, 37,493.
Bell, 26,307.
Long, 25,740.
37,571.
Hutcherson, 24,455.
Pringle, 57,859-61.
Wilkinson, 31,376.
Scott, 30,200.
16,572.
Rutherford, 54,988.
55,009.

55,010. shaken the faith of the best farmers in keeping their farms in a very high state of cultivation."

Fream,
Maidstone,
page 29
par. 19.
31,390.

45. There can be no two opinions as to the desirability of encouraging good farming, attracting capital to the land, and preventing the impoverishment of farms. At present the law penalises good farming and places a premium on bad farming. The "old systems of farming are not suited to present day requirements," but before enterprising tenants care to embark on new systems for producing more profitable products, they rightly require absolute security for their investments, and scope for their skill by freedom to grow and sell the commodities that command the largest profit.

46. The law should establish the right of tenants to obtain, cheaply and simply, compensation for every agricultural improvement made by them that has increased the letting value of the holding without reference to the inherent capacity of the soil.

The compulsory provisions of the Agricultural Holdings Act, 1883, recognises that the tenant cannot secure just conditions without the help of Parliament.

XI.—THE MAJORITY RECOMMENDATIONS.

Report,
par. 373.

47. The recommendations, however, of the majority are limited to the following trivial concessions :—

- (1.) A tenant may, by giving notice to his landlord, improve roads and watercourses; also make gardens, orchards, and osier beds not exceeding *one* acre.
- (2.) "Inherent capabilities of the soil" may be omitted, as confidence is expressed that valuers will estimate them without statutory instruction.
- (3.) While convinced that the Act gives full compensation for long-continued use of manures, no objection is seen to making it clear.
- (4.) Approval is expressed of compensation being awarded for home-grown corn consumed by cattle, sheep, or pigs, and for horses other than those regularly employed on the farm.
- (5.) It is desirable to adopt the Arbitration Act, 1889.
- (6.) Umpires (not valuers or referees) should be approved of by the Board of Agriculture.
- (7.) All subjects of difference should be included in one award.
- (8.) Dilapidations for which a landlord could claim should be scheduled.
- (9.) Penal rents for free cropping and sale of produce should be limited to actual damage.
- (10.) In yearly tenancies the landlords claim for waste and breaches of covenant be limited to two years.
- (11.) No appeal from award under the Act except on points of law.
- (12.) Distress for rent should be limited to 12 months.

48. The landlord's consent would remain essential to obtain compensation for permanent improvements, including permanent pasture; compensation for disturbance is discountenanced, simultaneous claims are not proposed, and very little simplification of procedure is recommended to secure that highly-paid valuers and costly formalities may be dispensed with.

The projected changes are slight modifications of procedure, clearing up doubtful points, and giving the landlord somewhat less power over the tenant.

Such recommendations are inadequate to satisfy the just demands of tenant farmers.

XII.—THE NEED FOR PERMANENT IMPROVEMENTS.

49. Although most owners have recognised the necessity of a complete building equipment to a farm, there are others who have not done their duty in this respect, as is exemplified by the following evidence :—

35,527-9.

Mr. R. Finney says, "Farmers are not satisfied with the dairy equipments on their farms in Derbyshire. If mine were more modern, and put into a proper farm, it would take one man less to do my stock."

Report,
Garstang,
Par. 10.

Mr. Wilson Fox reports from Lancashire, "There was considerable dissatisfaction expressed as to farmhouse, shed, and dairy accommodation in some districts." "Apart from the inconvenience caused to farmers by their not having enough sheds or only ill-constructed ones, a more serious result is that, owing to the cattle having to be

crowded together, the want of space and air, fosters and spreads disease." "Many witnesses, including a veterinary surgeon, partly attributed the spread of the disease of tuberculosis, which is now so seriously affecting the pockets of the Lancashire farmers, to unhealthy sheds, and to want of extra accommodation so necessary for purposes of isolation in the event of any suspicion of disease arising." "Dr. Winn, medical officer of health, stated, 'Want of air would give a cow tuberculosis, and the milk from that cow would give consumption to human beings.'" Par. 12.

"It was stated by a delegate that in his district the local authorities applied for tenders for the supply of milk, and that it was found on inspection of the premises of the applicants that only *one out of the twelve* had satisfactory premises." Par. 13.

Mr. Hunter Pringle reports, "In Essex there are many progressive farmers . . . who complain of the reluctance displayed by landlords in improving or remodelling existing premises." Essex, par. 122.

Dr. Fream reports that "complications and dissatisfaction arise out of the law of entail. If, for example, the present owner has only a life interest, he cannot exercise a free hand, and even if the consent of the successor be obtained to the proposed improvements, there is quite likely to be a lack of the necessary means. Tenants, in such cases complain that they 'cannot get anything done.'" "I was assured that tenants of hop and fruit farms sometimes put up buildings without any claim for compensation against the landlord, who declines to give consent, because he does not want to encumber the estate." Report, Maidstone, par. 51.

Mr. Speir also reports, "There are a good many heavily burdened estates, the buildings of which are in a very dilapidated condition. On farms so situated the tenants are not in a condition to make the most of the circumstances." Ibid., par. 52.

50. Permanent improvements are rightly regarded as part of the owner's obligations, and it is not advisable that tenants should undertake them to any great extent. Their capital is already too limited. In cases where owners are limited or encumbered, or too short-sighted to fulfil their reasonable obligations, some power is required to stimulate laggard landlords to do their duty, and enable the tenant to adapt his cultivation to the altered circumstances of supply and demand.

51. The tenant should, therefore, be empowered to give the landlord a notice that improvements contained in the first schedule of the Agricultural Holdings Act are needed; and if the landlord failed to reasonably execute them, the tenant should be enabled to make the improvement, and claim compensation for the letting value added to the holding.

52. Against this it may be argued that to force improvements on an unwilling landlord is an infringement of the right of ownership. The point for determination is: Shall the landlord's right dominate over the national need of encouraging the most productive cultivation of the land? Clearly to make two blades of grass grow where only one grew before is an object of which rights of ownership should not deprive the community. Owners should and would be completely secured against loss by the tenant being paid only for the increased letting value added to the holding. If the work was worth nothing the tenant would get nothing, which would ensure improvements being undertaken only in cases of necessity. The landlord would in reality be an interested spectator in seeing his farm improve. No risk whatever would attach to him, for, if the tenant spent 100% in adding 50% only of value, the risk would be the tenant's and also the loss of the 50% injudiciously expended.

53. Again, tenants who are in daily contact with the exigencies of their requirements are, as good judges of what is required for the profitable production of produce on their farms as a resident landlord or agent, and infinitely better than a non-resident owner or a legal agent. The additional advantage would be derived of a tenant being on the spot to superintend the work, thereby getting it well and cheaply done.

XIII.—PERMANENT PASTURE.

54. This subject is so important, and the recommendation of the majority that the consent of the landlord should be essential to compensation being awarded for laying down permanent pasture, is so completely at variance with the great bulk of the evidence, that it is necessary to quote practical opinions bearing on the subject.

The Central Chamber of Agriculture recommended that notice only to the landlord should be given.

8071. Mr. Carrington Smith, Staffordshire, would "certainly allow a tenant to lay down land to grass."
1347. Mr. W. Harrison, Yorkshire: "Tenant should be allowed to lay down permanent pasture without consent of landlord."
- 17,798. Mr. Albert Pell, Northampton: "A tenant ought to be compensated for laying down old grass and keeping more stock, because there would not be for the first year or two any increased produce or profit from the laying down to grass, but at the same time it would be a material improvement to the holding."
- 20,036. Mr. Druce: "Laying down permanent pasture should be included amongst improvements to which consent is not necessary."
- 20,486. Mr. Lipscomb, Yorkshire (Chairman, Central Chamber Agriculture Committee, to consider amendments to the Agricultural Holdings Act): "I think now that the laying down of permanent pasture is so essential that a man ought to be able to do it after giving due notice." "If he cannot get the consent of the landlord he ought not to be precluded."
- 44,670-1. Mr. J. B. Jones, Shropshire: "Under the present law a tenant could not make a permanent improvement at all without the consent of his landlord. Under any suggestion, he would make it at his own risk, and whether it was worth anything or not would be decided by the arbitrator at the termination of the tenancy."
- 48,917. Mr. Rew, Assistant Commissioner: "One of the amendments suggested was that a tenant should have power to claim for the permanent pasture laid down, notwithstanding he had not received the consent of the landlord."
- 59,636-8. Mr. Owen Price, Brecon: "The laying down land to permanent pasture should be removed to the Third Schedule."
- Par. 67. Mr. A. Spencer's report, Oxford: "Laying down of permanent pasture should be removed from first to third part of schedule."
- 40,972. 55. The laying down of permanent pasture cannot injure but must benefit a farm. Sir John B. Lawes affirms that "if an outgoing tenant has laid down grass liberally he leaves a good deal of unexhausted fertility in the land," and "if necessary you may break it up again and get all your manure back out of the land. Grass is an accumulation of large quantities of food. You cannot have a pasture without large quantities of food accumulating in it."
- 40,974. 56. The consent of the landlord being necessary before the pasture is made often bars compensation for this most desirable improvement. One insuperable objection to notice being given, is that a landlord might retaliate with notice to quit or exact some more onerous conditions. No notice or consent should be necessary to enable a tenant to claim compensation for such an unmixed benefit to the land as the laying down of permanent pasture.
- Report, Essex. 16,573. Vol. II., App. A. VIII. 57. The great value of temporary pastures or three or four years' old grass has also been recognised. Mr. Hunter Pringle thinks "that to temporary pastures Essex must look for a brighter future." Mr. Clare Sewell Read also advocates that "a man should be compensated for laying down grass for two, three, and four years." The Central Chamber of Agriculture also recommend compensation "for two years' old seeds if a good plant and the land clean and in good heart." These suggestions ought to be approved.
58. The retrospective principle of the Market Gardeners' Compensation Act, 1895, should be adopted, to prevent farmers being deprived of their share of the value that since 1875, 3,297,942 acres of permanent pasture has added to the land of Great Britain.

XIV.—COMPENSATION FOR DISTURBANCE.

- 2908-12. 59. This has been advocated by many experienced witnesses as necessary for better cultivation. It is clear that no prudent man would embark the capital necessary to develop the productive powers of a holding and run the risk of confiscation of improvements. Every one agrees that it takes a year or two to get a farm that has been badly handled into a proper rotation, and also to gain that experience necessary to farm remuneratively in a new neighbourhood. Each field probably has a peculiarity that must be learnt before it can be successfully cultivated. Again, a tenant would throw more ardour and ability into his business if assured that he could be placed at no disadvantage, should some friction arise between himself and the landlord, or if he failed to pay that obsequious civility that some agents fancy is their due. It is apparent that with a short insecure tenancy the land will not be properly cultivated, while good farming is undoubtedly encouraged by security.
- 14,079. 14,256. 21,388-9. 25,474. 31,390. 35,042. 37,699. 37,833. 44,302. 55,366.

60. Mr. Kay, whose evidence is used freely in the Majority Report as being opposed to judicial rents, advocated much greater freedom in making improvements and also compensation for capricious disturbance. The majority, however, refused to insert his evidence on this point. Report, p. 110, par. 407.

61. The vast increase of productive power derived from the 19 years' leases in Scotland is a notable example of their benefits. The fertility so generated even now enables the farmer to more successfully combat low prices, than where such a system has not been in vogue.

"To the long leases," reports Mr. Wilson Fox, "is attributed much of the high state of cultivation to which the land in North Northumberland was brought, which has operated with equal advantage to landlord and tenant. Since 1879, when the agricultural depression began to be felt, tenants have been unwilling to run the risk of taking leases with prices falling. . . . If times were better they would prefer leases as they would then have greater security for making improvements. . . . Mr. Bolam, agent to the Earl of Tankerville, considers that the introduction of yearly tenancies has already had a bad effect. He observes that all incentive for making improvements is wanting, and that in consequence agriculture in North Northumberland is reduced nearly to one common level, good farming being the exception rather than the rule, as formerly." Fox, Northumberland, pages 75-76, par. 7.

62. Unfortunately leases, formerly prevalent, are falling into desuetude in both England and Scotland. Yearly tenancies are the rule, because tenants object to be bound for a long period to pay a rent based on uncertain prices.

63. A general recognition of the system of 19 years' leases would stimulate good cultivation, which, by providing more food and more employment, the Legislature could not possibly err in encouraging.

64. The farmer would be benefited by having an undisturbed possession for a period long enough to enable him to do justice to himself and to his farm. When compelled by the landlord to quit (unless for non-payment of rent or breach of good husbandry) he should receive such compensation in addition to compensation or improvements as would fairly recoup him for changing from one farm to another. The tenant should, however, be at liberty to quit after the ordinary notice, as the actual cost of moving, the experience essential to be gained in a new neighbourhood, and the severing of business connections, form strong inducements for remaining unless the conditions imposed were too onerous.

In this connexion it must be borne in mind that, provided the buildings and fences, &c. have been kept in a proper state of repair, the landlord incurs no loss in changing tenants.

Lord Tollemache's agreements allow the tenants the option of quitting at two years' notice, but restrain the landlord from terminating the tenancy until the end of the term.

XV.—FREEDOM OF CROPPING AND SALE OF PRODUCE.

65. It is most inexpedient in these days of fierce competition that tenants should be tied down to obsolete conditions of cultivation. Mr. Rew, in his report of North Devon, mentions "a condition that the tenant should dress every acre broken up or tilled with 60 bushels of lime of 244 lbs. per bushel." "I was told that this would involve an outlay of about 7*l.* per acre." Report, par. 49.

66. Restrictions are common in agreements, and though they may not been forced, yet they can be revived at any moment, and be used as a menace to the tenant. Report, Ayr, par. 50.

Mr. Speir also reports that "the complaints against the unnecessary restrictions contained in the majority of leases are most bitter; everybody detests them." "I had a great pile of leases sent into me without any inquiry, most of which contained objectionable clauses." "These leases strangle agriculture." Speir, 46,927. McConnell, 55,346.

Many witnesses have testified as to the necessity of freedom of sale. Mr. Matthews attributes much of his success on his clay farm in Essex on his freedom to sell and grow what produce he thinks best. 61,477. 61,532.

Mr. R. Stratton attributes "a comparatively satisfactory condition of agriculture in Monmouthshire principally to the fact that they are free from all hampering conditions with regard to farming and selling." 34,844.

It is necessary that every tenant should be ensured "freedom of cultivation and freedom of sale, provided they did not deteriorate the fertility of the holding." Rew, 48,969.

XVI.—APPOINTMENT OF ARBITRATORS.

67. It is of the utmost importance that the very best men as arbitrators should be selected to decide differences between landlord and tenant. At present tenants in the majority of cases have to deal with an interested agent. Instances have occurred in which this has caused considerable irritation and complaints have been rife. If a competent and impartial official was available, at the instance of either party, to decide disputes at a moderate cost, many differences that now rankle would be amicably settled.

68. This would be best secured by following the provisions of the Land Tenure Bill, 1895, which passed its second reading in the House of Commons. Under this Bill the County Council could nominate a sufficient number of agricultural arbitrators for each county, who would be approved of by the Board of Agriculture. One arbitrator would by these provisions settle disputes, his award, except on points of law, being final.

69. The evidence proves that landlord and tenant rarely agree as to the appointment of a single arbitrator, but that each party selects an arbitrator, who in turn select an umpire. To obviate this unnecessary multiplication of officials, in the case of disagreement, either party should be at liberty to apply to the County Court to appoint an arbitrator from the list selected by the County Council, whose award should be final except upon points of law.

The fees chargeable should be regulated by the Board of Agriculture.

XVII.—SIMULTANEOUS CLAIMS.

70. The great bulk of evidence favours putting the landlord and tenant on an equality as regards making claims.

Agricultural Holdings Act, sect. 7. At present the tenant has to give particulars of his claim two months before, but the landlord need not until 14 days after the determination of the tenancy.

16,517-8. Mr. Clare Sewell Read summarizes its effects: "Whenever a tenant has made a claim, the landlord has made a bigger counter-claim." . . . "That is in consequence of the landlord having time to consider the tenant's claim, and I am sure it would be diminished by the claims being made simultaneously."

Davidson, 51,021. Extravagant counterclaims by landlords are frequent. One experienced witness instanced "a case where a landlord claimed 1,200*l.* as a counterclaim," but "30*l.* was the award." A referee appointed by the sheriff had a landlord's "counterclaim of 120*l.*," which he looked on as "an attempt to block the tenant's claim" of 60*l.* He awarded the landlord 2*l.* 2*s.* and "thought that too much."

20,525. Mr. W. Lipscomb, Chairman of Committee of Central Chamber, appointed to consider amendments to the Agricultural Holdings Act said: "It was a universal complaint that the landlord had, both as to the time and the nature of his claims, an advantage over the tenant." "I think the Committee were almost unanimous in recommending that the two claims should be put in on the same day."

20,526. 71. Undoubtedly in lodging claims the landlord and tenant should be placed on equal terms, and on the appointment of an official arbitrator he should settle the date for lodging the claims, care being taken to put each party on a footing of perfect equality.

XVIII.—LAW OF DISTRESS.

8084. 72. I disagree with the recommendation that the law of distraint should be retained for even one year. Mr. J. Carrington Smith puts the case thus: "The maintenance of distress for one year in the case of small tenants has no value whatever, because it invites men to take farms who have not sufficient capital." "The abolition of the law of distress would restrict competition to men of sufficient capital." "He would take the farm at a less rental because he paid cash."

8089. Mr. C. Middleton thinks: "It enables men to take more land than they would otherwise do; it unduly forces up rents."

2618. This is illustrated by Mr. D. W. Drummond from the Caermarthen District Bankruptcy Court. "One farmer failed for 423*l.*, he was *insolvent* when he took his farm; another farmer failed for 625*l.*, he had *no capital* when starting; another farmer failed for 953*l.* and he had a capital of 100*l.* at starting and took a farm 350*l.* rent; another farmer, who failed for 1,303*l.*, started with 120*l.* borrowed capital and took a farm of

150*l.* rent." This preferential security stimulates competition and enables landlords to obtain excessive rents.

Mr. R. H. Rew, Assistant Commissioner reports : "The general feeling in North Devon is that the law of distress should be abolished."

A large number of other witnesses also favour the total abolition of the law. It no longer exists in Scotland, and the House of Commons in 1886 passed a Resolution for its abolition in England.

XIX.—AGRICULTURAL EDUCATION.

73. The need for agricultural education is widespread and general. It is desirable to emphasize the importance of the subject as one of the means to meet competition. To use the expressive words of Mons. Tisserand, Director-General of French Agriculture, "In this century of extreme competition we must admit that the agriculturists can only thrive if in working the soil he adopts scientific methods. Old routine is no longer sufficient in this branch, as it is proved to be insufficient in manufacture. There is no profession more based on science or more dependent on scientific knowledge than agriculture." "It is impossible to take enough care to develop in our day all means fitted to promote scientific knowledge which is indispensable to the cultivator of the soil in the exercise of his profession."

Commercial,
No. 3, 1894,
page 52.

74. A hard-and-fast rule of production cannot be laid down ; each district has special facilities for the production of varied products. The selection must be left to the residents, who are presumably the best judges. Undoubtedly, however, very much good may be achieved by a thorough system of practical agricultural education being made available and attractive, especially in the remote rural districts. Such education should be devoted to the development of the particular productions for which different districts are adapted, and for their being cheaply placed on the market in the manner most likely to suit the consumer's taste. Examples that this is lacking are prevalent. Suffolk is one of the most depressed counties in England, Arthur Young, in his *Annals of Agriculture*, 1786, mentions the north-eastern side, about 20 miles long by 12 broad, as "the seat of dairies" and "nearly all are good." Mr. Herman Biddell stated that at the beginning of the century Suffolk "was essentially a dairy county." Mr. Fox reports that at present "the butter made in Lincoln, as in Suffolk and Norfolk, is frequently of inferior quality." "It certainly does seem strange to go into a great agricultural country like Lincolnshire, which possesses splendid stock and much fine land, and to find New Zealand and Danish butter largely sold in the towns."

Fox, Report,
par. 7.

Fox, Report,
Lincoln, 157.

75. Probably, however, the most telling illustration is the enormous importation of dairy produce to the value of 24,000,000*l.* last year, being an increase of 10,000,000*l.* over the imports of 1876, 20 years ago. Much of this, in addition to poultry, eggs, and such products, might be profitably produced in Great Britain.

76. A striking instance of the necessity of knowledge by agriculturists in the art of marketing their produce is exemplified by an extract from an able report received from the Secretary of the Commission on the working of an agricultural co-operative organisation lately established :—

"It is almost impossible to exaggerate the difficulties which had to be contended with between the time of opening the central depôt and the arrival of the first consignment of produce. The difficulties alluded to arose from the fact that a great many of the farmers who applied for, and filled in, the forms of tender had never sent goods to the London market before ; they were totally ignorant of the class of goods suitable to a West end trade ; they had no idea how to pack, often mixing up eggs, poultry, butter, and apples in one hamper. A large proportion of the eggs generally arrived broken, in one instance 60 out of 150, when the case was only half filled and a little straw spread on the top ; the straw or hay used for packing was often musty ; poultry was sent, in some instances, alive, in others, trussed ; often no advice note was posted or enclosed in the hamper, making it impossible to know the name or address of the sender."

It is needless to give further examples.

77. Prior to 1890 only a small sum was annually spent on agricultural education. Then the "drink money" found a happy though accidental destination in the hands of the county councils, who were, if they thought fit, to devote it to technical education—some applied it to relief of the rates. No word of guidance was given as to the best means of using the money for agricultural or any other education. Much of it, as far

Chap.
par. 6,
page 143.

Commercial,
No. 3, 1894,
page 52.

as agriculture was concerned, was wasted. Contrast this with the system that has for years prevailed in France, where the system of agricultural teaching comprises all degrees of instruction. There are schools and institutes for—

- (1.) Men of agricultural study and research.
- (2.) Sons of landowners and farmers.
- (3.) Sons of peasants after they leave primary schools.
- (4.) For practical instruction to sons of labourers.

78. Special agricultural subjects have also special schools. There is a special course provided for pupil-teachers in order to secure their competence to teach agricultural subjects; no less than 3,600 pupil-teachers received this education in 1893. There are 30 agricultural laboratories to furnish analyses of soils and manures asked for by cultivators, and suggestions as to the requirements of the land, the quantity of manure, the quality of grasses, &c., and the value of seeds. Special laboratories are provided for studying the diseases of plants and the remedies, the propagation of vegetables, the methods of dealing with insects, trial of agricultural machinery, the breeding and feeding of cattle, &c.

In addition, scattered all over France are 3,362 trial fields where agriculturists can profit by experiments suitable to their own districts.

Ibid., page
53.

“The aim and object,” says Mons. Tisserand, “has been not only to give children and young people the means of acquiring knowledge, but also to establish means for *instructing old cultivators*, . . . and show them the way to realise all possible improvements.”

Similar systems are in vogue in other countries which compete severely with us. It is obvious that we have great leeway to recover in agricultural education.

79. It is impossible to specify here how a complete system of agricultural education should be constructed. The importance of experimental stations and other means of disseminating practical knowledge and the most improved methods is difficult to over-estimate. It is not enough to train the rising generation only. The present race of farmers urgently need assistance. Great care, however, must be taken that such instructive examples are practical and useful, or the repugnance sometimes felt by farmers for teaching may be intensified.

Recess Com-
mittee's
Report,
page 53.

80. The Irish Recess Committee, in their most valuable report, state :—“Everywhere it is accepted as an axiom that technical knowledge and general enlightenment of the agricultural class are the most valuable of all levers of progress.”

Second
Report,
Technical
Education
Commission,
Vol. II.,
page 179.

81. In Holland the President of the Agricultural Council says :—“Every guilder spent in the promotion of agricultural teaching brings back profit a hundredfold.” In Belgium, “Every franc spent in agricultural teaching brings a brilliant return.” In Denmark, such a formidable competitor to the British farmer, Mr. Jenkins reports to the Technical Education Commission that “the results of agricultural education in Denmark have been something extraordinary.”

82. Education would be valuable not only to farmers, but would stimulate labourers to supplement their slender resources by devoting attention to horticulture, fruit-growing, and other forms of rural industry, besides increasing their efficiency in the management of machinery and other skilled work on the farm.

Economic
Review,
March, 1897:

83. There is no doubt, also, that much might be accomplished by organisation and co-operation among farmers. This has been a great success in Ireland where the number of registered co-operative societies has increased from 1 society with 50 members in 1890 to 140 societies with 14,500 members in 1897. These societies have proved of vast benefit to agricultural producers, as one of the most effective methods of meeting low prices and foreign competition, and should be encouraged by every means in Great Britain.

XX.—RAILWAY RATES.

84. Cheap conveyance of produce is of vital importance to agriculture, but the law relating to railway rates is so vague and complicated that it is doubtful if the recommendations of the majority report go far enough.

Commercial,
No. 3, 1894,
page 46.

85. Foreign Governments have been keenly alive to the importance of low rates for carrying agricultural produce. In Denmark “the railways, which are under State management, afford special facilities. For example, milk and butter are forwarded by passenger train at the ordinary goods rate; cereals, foodstuffs, and manures are conveyed at the lowest rate but one, while natural manure is taken at the lowest rate.”

Ibid.,
page 62.

86. In France “the tariffs for the transport of cereals, hay, straw, beetroot, green plants, and wine, &c., especially of manures and fertilisers, have been very considerably

diminished. "The diminution in the costs of transport are from 30 to 50 per cent. for agricultural products."

87. These two countries most formidably compete with the British farmer in the production of dairy produce, and it is essential that the producer in rural districts who has not the advantage of competitive rates should have similar facilities as foreign producers, and also be placed on an equality with producers in localities where competition exists.

XXI.—GAME LAWS.

88. The opinion of the majority that the "Ground Game Act has mitigated the farmers' grievance," and "that in all cases of injury done by game his claim to compensation should be clearly recognised and made enforceable by means as simple and inexpensive as the case permits" is inadequate. The question at once arises, How is the farmer to obtain compensation? If notice of a claim is served on a landlord, what is to prevent the landlord retorting with a notice to quit. Even now farmers feel "there is a written law to give us the hares and rabbits, but an unwritten law that we may not take them." A farmer's son summed it up thus: "father does not kill hares and rabbits because he would get notice to quit." Mr. Fox reports that "there is not the slightest doubt that some farmers do not kill them (the hares and rabbits) when they would like to for the protection of their crops, because they are afraid that notice to quit will be given if they do so." A specific instance comes from Lancashire, where the tenantry simply memorialised the landlord to be allowed to kill the rabbits that were destroying their crops. The answer was "that the tenant who drew up that memorial drew it up on the Monday . . . it was signed on Tuesday by 45 tenants out of 55, and on the Wednesday notice was sent to him without comment to quit both his holdings."

Report
page 142
par. 542.

Wilson Fox,
Garstang,
par. 31.

Garstang,
Report,
page 25.

Kay, 14,063,
14,064.

89. Other more insidious means of coercion are used by agents notifying "that if tenants interfered with game there would be no improvements done for them."

31,455.

90. If the Ground Game Act "has mitigated the farmers' grievance," the best plan to remove the grievance would be to extend the operations of an Act that has done so much good, and give tenants facilities to kill ground game "how, when, and where they like on their holdings." Any breach, implied or otherwise, of this by the landlord should, in the event of the tenant quitting, be made the subject of compensation for disturbance. If game is let to a sporting tenant, the tenant should have some prior right to rent the sporting rights. Tenants appreciate their landlords shooting on their farms, but the sporting tenant, having no interest except in the head of game to be bagged, is a constant source of well-founded complaints.

XXII.—GENERAL CONCLUSIONS.

91. Reviewing the agricultural position during the past 16 years, there has been a persistent and, up to the last two years, a progressive fall in prices.

92. Some witnesses have attributed the depreciation of values to currency legislation, but as the Commission has not thought it worth while to discuss these theories, they may be dismissed.

93. Foreign competition, due to the development of new and prolific countries, fostered by cheap and rapid transport, is the real cause of the fall in value of agricultural produce.

94. The effect on owners of land has varied greatly. In some of the grain-growing districts rents have diminished largely, bringing almost ruin to the encumbered owner, and embarrassing and seriously curtailing the ability of unencumbered owners to improve or even continue the needful repairs on their estates. In other large districts less abatements have been made, while in considerable areas of pastoral or rich land, little, if any, modification has taken place, though the prices of agricultural commodities have fallen considerably.

Land in proximity to favoured markets has maintained or even increased its value.

95. This fall has had disastrous effects on the tenants; they at first bore the whole brunt, and even now are bearing more than their share of the depression. Reductions of rent did not follow the reductions of price of agricultural products until landlords were forced to recognise the ruin overtaking their tenantry. Since then adjustments of rent have been made, but in most cases inadequate, to meet the altered prices of products. The financial straits of farmers in consequence are extreme. This constant flow of the tenant's capital to pay the landlord's rent has been most marked in those cases where farmers have got and kept their holdings in a high state of fertility. Their only resort is a notice to

quit, involving the risk of losing the capital they have confidently invested in the land. Such farmers are in a most defenceless condition, and only under enlightened landlords can they avoid being rented on their own improvements. It is this class who deserve far greater consideration than they receive. Farmers in the least depressed districts principally raise cattle and sheep, but the lower prices of beef and mutton last year added to their difficulties.

96. The lower level of prices, while seriously injuring owners and occupiers, has had an opposite effect on labourers, who, with few exceptions, have received equal money wages, but the increased purchasing power of those wages has greatly added to their well-being. Mr. Little reported to the Labour Commissioners in 1894 that "it is no exaggeration to say that in the last quarter of a century a quiet economic revolution, accomplished with but little aid from legislation, has transferred to the labourer from one-third to one-fourth of the profit which landowners and farmers previously received from the cultivation of the land."

97. That workers should receive a larger amount for their labour is a cause for congratulation and denotes a progressive community. The working farmer is now, but it is to be hoped only temporarily, the unfortunate exception. Unless owners co-operate with the cultivators in improving and cheapening the process of producing and selling products of a quality superior to that of the foreign competitor, their profits must be diminished.

98. It is practically impossible to check competition, and among the worst friends of agriculture are those who dangle delusive hopes before farmers of an artificial increase in the price of food. It diverts their attention from practicable proposals, such as reasonable rents, security for capital, and freedom to grow and sell crops to the best advantage, which, supplemented by a cheaper conveyance of produce, and a spread of practical education, teaching the most paying methods of production and sale, affords the best prospect for the future success of British agriculturists.

99. For fulfilling these conditions there should be :—

- (1.) A revision of rents (voluntarily, if possible) in proportion to the lower prices of agricultural products.
- (2.) Security for the tenants' capital, reasonable conditions of tenure and freedom to adapt their methods of production to the altered circumstances of supply and demand by amending the Agricultural Holdings Act so as to provide :
 - (a.) Greater liberty in making permanent improvements after giving notice and option to the landlord.
 - (b.) That no notice shall be necessary to claim compensation for permanent or temporary pastures.
 - (c.) Compensation for all improvements that add to the letting value of the holding.
 - (d.) Compensation for unreasonable disturbance.
 - (e.) That compensation should be clearly available for cumulative fertility and made payable for the consumption of home-grown corn on the holding.
 - (f.) For the appointment of competent and accessible arbitrators to cheaply settle disputes, whose awards shall be final except on points of law.
 - (g.) That the landlord and tenant should be placed on an equality in making claims.
 - (h.) Freedom to crop the land and sell the produce, provided the fertility of the soil is maintained.
 - (i.) That penal rents should be limited to actual loss, and all matters connected with the holding shall be included in one award.
 - (j.) That the preferential right of distraint for rent should be abolished.
- (3.) A complete system of agricultural education, provision being made for practical experiments and teaching to benefit existing tenants.
- (4.) Lower railway rates and more rapid conveyance of produce.
- (5.) An extension of the Ground Game Act to enable tenants to kill ground game how, when, and where they like on their holdings, and the pre-emption of sporting rights, where they are sold.
- (6.) A division of rates between landlord and tenant.

(Signed) GEORGE LAMBERT.

July 2nd, 1897.

REPORT BY Mr. F. A. CHANNING.

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REPORT.

CHAPTER I.

REASONS for dissenting from the REPORT of the MAJORITY.

I desire humbly to lay before Your Majesty the following Report :—

I regret that I am unable to concur in the Report of the majority of the Commission.

1. While assenting to the introductory chapter recording the course of our proceedings, and the scope and manner of our inquiry, I think it is much to be regretted that the general Report of the Commission dealing with the whole of the causes of agricultural depression, and the whole of the proposals that might be made either as remedies or mitigations, by legislative or administrative reforms, has not been completed and issued before now.

Delay of
the Report

2. Most especially is it to be regretted that the one topic upon which most evidence was taken and upon which a great majority of witnesses were practically unanimous—the Amendment of the Laws relating to Agricultural Holdings—has not been reported on at an earlier stage of our proceedings, or at any rate at the same time as the Second Report dealing with “Burdens on Land.”

Delay of
recommen-
dation as to
agricultural
tenure.

Legislation on this question has for years been urgently needed, and I think it was perfectly possible for the Commission to have reported on this subject in time for such a report to have been the basis of legislation either in the Session of 1895 or the Session of 1896.

This protracted delay has unfortunately withheld from tenant farmers for three Sessions longer that statutory protection for the money they invest in their holdings, which their ablest representatives have unanimously asked for, and which men of impartial and sound judgment and of adequate experience have professed a readiness to give them.

3. As to the Report itself, it arranges with skill and effect many of the most important points brought out in evidence, it contains much precise and useful information, and many suggestions and recommendations with which I heartily concur.

Points of
agreement.

The statistical tables and summing up of evidence in the chapters on the “Fall in Prices” and “Foreign Competition” are carefully prepared and well digested, and will be found of great value.

I also wish to express my cordial assent to several of the chapters in Part III., especially the well-considered chapters on the “Sale of Mortgaged Land,” and on “Agricultural Education.”

4. But having said thus much, I am, to my regret, bound to state that I find the report defective in method, inadequate as a presentment of the facts laid before us, one sided in its handling of essential issues, and misleading in several of its conclusions.

The Report
not based
on economic
considera-
tions.

Agricultural depression, with its causes and their possible remedies, is from beginning to end an economic question. The subject can only be adequately handled from an economic standpoint, and by a logical and complete examination of the whole of the facts.

But in the Majority Report there is no consecutive and comprehensive analysis and attempt to classify, and approximately estimate, in their economic relations to each other, the whole of the causes contributing to the state of things that we wish to see bettered.

Thus, while the fall of prices and foreign competition are exhaustively dealt with, and the permanence or increase in certain items of the cost of production are recognised, the obvious inference that the margin left for rent must dwindle when prices have fallen, and the ratio of the cost of labour and other outgoings to the gross receipts from the land has risen, and that, therefore, high rents in bad times rapidly become a more and more intensely operative cause of acute depression, is left undrawn and unstated.

In the Majority Report there is nowhere any adequate appreciation of the disastrous effects upon agriculture of the policy of diverting the working capital of the tenant farmer from its proper application, the thorough cultivation of the soil, to the making up of rents, which have, by the fall of prices, lost their economic basis, and now assign to the landlord a wholly unfair proportion of the proceeds of the land.

The Report thus leaves out of sight, and practically excludes from consideration, some of the most serious economic elements of the situation.

While describing a disastrous condition of things in many parts of the country, it substantially fails to give the true or any complete explanation of how things got into so bad a state. Further, in consequence of this limited and one-sided inspection of the facts, the report also fails, and necessarily must fail, in making any suggestions or recommendations which would have adequate effect and reach the real sources of the evil. As it leaves out real explanations, so it leaves out real remedies.

The essential problem of agricultural depression.

5. The really essential problem to solve is to enable a tenant farmer of average capacity and average capital to earn out of the land the minimum profit which will encourage men in his position to cultivate it properly. This result, with falling and uncertain prices for agricultural produce, is, on some land and in some districts, not to be attained under any conditions which the State can provide by legislative or administrative help, or which landowner or tenant can bring about.

But the evidence taken by this Commission shows that it could be attained in many parts even of the worst districts, if the real causes of agricultural distress were honestly faced and dealt with.

Such portions of our evidence as Mr. Hunter Pringle's graphic history and analysis of the ruin of parts of Essex, where many landlords spent too little in equipping their estates with improvements in the good times, and, when bad times came, did not reduce rents till the bankruptcy and disappearance of one tenant after another, and consequent deterioration of the soil, compelled them to reduce rents; and, again, in Scotland such evidence as Mr. George Riddell's description of the too frequent treatment of the improving tenant, conclusively establish that the really essential feature of the agricultural depression, and the chief of those causes of disaster which can be reached and remedied, is the faulty system of the tenure of agricultural land. A report which does not face and attempt fairly to arrive at some solution of this question is of no practical value whatever.

And, in effect, this is admitted in the summing up of the recommendations of the majority (paragraph 609) where the recommendations are described merely as palliatives.

It is evident throughout the report of the majority that the situation has been considered almost exclusively from the standpoint of the landlord, and has not been threshed out solely from the economic point of view.

Burden of rates and burden of rents.
Second Report of the Commission, par. 8, p. 7.

6. In this connexion, I feel bound to contrast the terms of the Second Report of the Commission where the pressure of burdens upon agricultural land is dealt with.

"Excessive burdens may undoubtedly throw land out of cultivation, and it appears from the evidence that they have already had this effect in certain parts of the country. In other cases, where the results have not yet been equally disastrous, the imposition of excessive burdens on land must tend to discourage the investment of capital, the application of enterprise, and the employment of labour on land, and thereby operate directly to the detriment of the whole agricultural community, and ultimately to the injury of the community at large."

But if the case needs to be stated so strongly for the relief of agriculture from, according to the recommendation of the Second Report, three fourths of the rates imposed upon land, or a sum of only about 1s. 10d. an acre on the average, I submit that a very much stronger demand ought to be made in respect of a reasonable relief from the burden of the item of rent, which has been shown to amount on an average to over 20s. per acre on many great estates in England and Scotland.

Other causes.

7. Further, I cannot think the various contributory causes of depression are marshalled or handled in a satisfactory manner, and that the arrangement of the Report in that respect leaves much to be desired.

8. To deal in detail with those portions of the Report of the majority in which I am unable to concur:—

The Report seems to me to insufficiently recognise the facts established in our inquiry:—

Continuity of the depression.

- (1.) That the depression has been continuous since the Richmond Inquiry;
- (2.) That while in the earlier stage of the depression investigated by the Richmond Commission, bad seasons were the chief cause of mischief, a persistent, though at times fluctuating, fall in prices coincided with the arrival of better seasons and the improvement of the condition of the soil;

- (3.) That any real and general recovery of agriculture was thus made impossible, because any economic advantages from the better seasons from 1884 to 1890 were more than counterbalanced by the fall in prices;
- (4.) That the three exceptionally bad seasons of 1892, 1893, and 1894 coincided with a still deeper fall of prices and culminated in the most acute and widespread stage of the depression in the autumn of 1894 and summer of 1895.

THE DEPRESSION IN ENGLAND.

9. Chapters I. and II., stating the condition of agriculture in the arable and in the grazing districts of England, are fairly complete, but, in my opinion, fail to set forth as distinctly and vividly the real position of the majority of agriculturists in those districts as it has been laid before us in the carefully prepared reports of Mr. Rew, Mr. Wilson Fox, Mr. Pringle, and others, and by many of the ablest agriculturists who spoke from local knowledge and practical experience.

Depression in arable and grazing counties of England.

Especially I note, in par. 40, the inadequate reference to the striking evidence in Mr. Pringle's report on the condition of agriculture in Bedfordshire, Huntingdonshire, and Northamptonshire; the disastrous effects of the bad seasons, not only on the heavy clay arable land, but on the finest pastures in the country, the steady spread of ruin among large classes of farmers, bringing agriculture into the position of a bankrupt industry, the wholesale changes of tenancy, and the share that excessive rents have had in intensifying the features of the depression.

Par. 40.

As to Hampshire, a single quotation is selected from Dr. Fream's report to the effect that tenants are in some cases "keeping on their farms at their own rentals," while the statements from the same report, that "north of Andover, with rents down to nothing, many of the tenants continue losing money"; that, in another district, "the tenants had borne the brunt of the bad years, and now, when it was too late, the landlords were offering reductions which at an earlier stage might have saved the tenants from collapse"; and that farmers had reported to Dr. Fream, "the disinclination and refusal of landlords in most cases to meet their tenants," and that "good farmers have not been sufficiently well-treated and met by the landlord, and so long as any balance was thought to be at the bankers, *no reduction* was made" are withheld. Further, if rents were referred to, Mr. James Stratton's important evidence, that, although rent had been reduced 50 per cent., it would have to go down 25 per cent. more, should have been quoted.

Par. 41.

Fream, Andover, p. 5. p. 15.

6479.

The effects of the depression in Berkshire, Notts, and the East Riding, and in Kent seem insufficiently indicated.

Pars. 42-47.

10. The effects of the depression in the counties of Somerset, Devon, Cornwall, Shropshire, Herefordshire, and Worcestershire seem to be underrated in the report, partly because here, as throughout the report, there is a disposition to measure depression by the actual reduction in rents, or, in other words, to treat it solely as a landlords' question, whereas there is much evidence that rents are complained of as excessive in these counties, and therefore it is probable that in the practical result to the tenant farmer, the degree of loss, which, having regard to the conditions of the district and its type of agriculture might otherwise be slight, is made severe by the postponement of an adequate reduction of rent.

Pars. 54, 55.

The references to Lancashire, Yorkshire, Durham, and Northumberland seem to me inadequate and misleading. The reports of Mr. Wilson Fox on the Garstang district of Lancashire and the Glendale district of Northumberland, supported by much evidence from witnesses, show that depression has been acutely felt by tenant farmers in both these counties, and that there have been heavy losses by all classes of farmers, and that the position of many is precarious. As to Lancashire in particular, high rents and insecurity have clearly operated to make the fall of prices more difficult to meet. Mr. Pringle's report on Durham and the North Riding brings the disastrous losses of large classes of farmers, and their inability to make a profit, even out of stock farming, in many cases, into the clearest light, and is supported by the evidence of several of the ablest practical farmers in England. While this state of things is partly recognised in the paragraph, it is not correct to state that the position resembles that of Cumberland or Westmoreland, where it is known that there has been the very smallest degree of depression.

Pars. 60, 61.

H. H. Scott.

S. Rowlandson. C. Middleton.

DEPRESSION IN WALES.

11. The paragraphs relating to Wales do not give satisfactory statement of the evidence laid before us. It may be true that owners in Wales "have not hitherto

Wales, Pars. 62-4.

Drummond,
60,394-8.

experienced the effects of the depression to any serious extent." If this is true, it is obviously because rents have not been materially reduced, and, as one land agent admitted, are in some cases paid out of capital, and in other cases out of the wages of the children of farmers. But, for this very reason, it is clear that the tenant farmers have suffered severely. They have had to meet the heavy fall in prices of many articles, and occasional disastrous losses in prices of other articles, and further to meet a continued increase in the cost of labour and production generally, without having, except in a very limited degree, the help by reduction of rent which has been given more freely in many parts of England.

In these paragraphs, as elsewhere in the report, the conclusions arrived at are vitiated by the omission to recognise that, if agriculture is to go on, and the worst features of the depression are to be remedied, when prices have gone down and the cost of production has gone up, the items of rent and other non-reproductive items must go down to the point which leaves a profit. It is therefore impossible to place confidence in them.

DEPRESSION IN SCOTLAND.

Scotland,
paras. 65-70.

12. Similar comment is reasonable as to the estimate of the effects of depression in Scotland. The paragraphs fail to describe fully and accurately the real state of things. In this connexion it should be noted that, owing to extreme pressure of time in the examination of witnesses in Edinburgh, the character, extent, and acuteness of the depression were generally assumed, and witnesses were questioned chiefly as to remedies and practical suggestions.

The facts of the situation in Scotland had already been laid before us by Scotch witnesses examined in London, and in the Sub-Commissioners' reports. It is clear from that evidence that tenant farmers have suffered severely in all parts of Scotland, and that, except under favourable circumstances of position, or soil, or crops, or markets, even those best off have been only able to make two ends meet, and to secure a bare living. If they had not made money in the previous good times they could not have held out now. As a great agent puts it: "The farmers are getting only their living for their labour, and probably some of them with 10,000*l.* invested are getting very little interest, whereas in former days they got a good profit." But those who have been less fortunate are described as being too deep in the mire to get out, while in several typical districts of Scotland, the rich arable south-eastern counties, and also the south-western arable and dairy counties, there are shown to have been enormous changes of tenancy during the depression, involving in a striking proportion of cases the total ruin of the unfortunate tenants.

The report of the majority lays everywhere stress on the evidence of competition in the demand for farms. I am convinced by the unvarying tenour of evidence as to the causes and character of this competition, as is stated more fully elsewhere in this report (paras. 141, &c.), that it is largely due to other causes than supposed profits from agriculture, and that, in regard to farms whose tenants have kept them in high cultivation, such competition is, to some extent, fraudulent and with a view to the exhaustion of the fertility created by high farming.

It seems to me plain that while Scotch farmers have to a certain extent made a saving by lengthening rotations, and reducing the labour and horses employed in cultivation, the general increase in wages and the cost of production, and the maintenance of relatively very high rents have, as in Wales, intensified the depression inevitable from the heavy fall in prices. And it must be remembered that although Scotland has escaped one or two of the worst seasons which have crippled agriculture in England, notably 1879, Scotland has had also exceptionally bad seasons both for crops and stock, and the fall of prices, especially in wheat and potatoes, has been disastrous in some of the most highly rented districts.

The situation in Scotland would have been much worse if the security of long leases had not so widely developed the system of high farming. At the same time, the wholesale ruin and injustice caused by high rents when fixed for as long a period as 19 years, strikingly illustrate the defects in the law as to agricultural tenures which have contributed so largely to intensify depression throughout Great Britain.

EFFECTS OF DEPRESSION ON OWNERS.

Owners,
Pars. 75, &c.

13. Again, in discussing the effects of the depression on the owners of land, I think the report is fallacious in assuming that land was, on the average, sold at 30 years' purchase in 1875, and only at 18 years' purchase in 1895. The calculations based on

W. Elliot,
53,453, &c.
Balston, 25,037.
Drew, 53,514.
Ballingall,
54,130, 54,107.
Ferguson, 22,861.
Balston, 25,039.
Ferguson, 22,863.
Smith, Eiddell,
Rutherford, 806.
Speir, Ayrshire,
&c., pp. 8, 9.
Stuart, 51,860.

Rutherford,
54,987, &c.

this assumption greatly exaggerate the undoubtedly heavy fall in the capital value of agricultural land.

On the other hand, I dissent from the statement that the average reduction of rents in the most depressed districts has been 50 per cent. While it is established in evidence that in many districts rents have, on individual farms, after repeated changes of tenancy, been reduced from 50 to 70 or 80 per cent., and in some cases to nominal amounts, it is obvious from the returns under Schedule A. of the Income Tax, which show for the annual value of "lands" a fall from 55,618,428*l.* in 1875 to 46,317,729*l.* in 1894, or only 9,300,699*l.*, or 16 per cent., that rents, on the whole, have not come down to anything like the amount that would seem proportionate to the ascertained decrease in the value of the products of agriculture.

I am also compelled to dissent from the reasoning in this section of the report in paragraphs 83, 84, 85, which seems to rest on the assumption that all sums expended by the owner on land are interest-bearing investments, and that rent should be considered as a return on landlord's outlay rather than as an assignment to the landlord of a reasonable share in the produce of the land after the cost of production has been met.

It is urged, in paragraphs 63, &c., that the estate accounts show that the great landlords have suffered severely, but in my opinion these accounts establish exactly the reverse. Those of the English estates show that the arrears of the agreed rents are inconsiderable—less than 9 per cent.—and that taking 20 years' purchase, which is a moderate but fair "all round estimate" for the estates in question, the rents actually paid represent nearly 5 per cent. on the capital value, and the net rent nearly 3 per cent. It is beside the mark to quote Mr. Mill to show that real rent has disappeared in such a case, as it is obvious that in the agreed rental the annual value of the land, together with the use of the whole results of the landlords' outlay, is expressed. Further, as is shown elsewhere (*see* paragraphs 165, &c. of this report), the calculations of the outgoings are misleading and exaggerated, and include some payments which do not belong to estate maintenance, and others which are part of the ordinary local outgoings of any resident.

EFFECTS OF DEPRESSION ON OCCUPIERS.

14. The section dealing with the depression in its effects upon occupiers is, in my opinion, a wholly inadequate presentment of the enormous mass of facts and figures supplied by farming witnesses of authority from all parts of the country, and by our Assistant Commissioners in their reports. Occupiers,
pars. 105, &c.

Use is made of the tables in the Memorandum by Mr. Little on the farm accounts, Appendix III.

I have considered these accounts in several aspects, and especially in their bearing upon the actual years during which depression was actually present, and I have considered the careful and instructive comments upon these accounts, giving many further facts explaining their bearing upon the position of farmers, which were inserted in the reports by our Sub-Commissioners after direct local inquiry from the farmers themselves.

I am convinced from this examination that, so far as the farm accounts can be taken as a fair illustration of the position of farmers (and the Report of the Majority admits that the accounts may be taken as representing "conditions more favourable than the average"), they show that the position at best is that, while some are making a little more than nothing, some also are making less than nothing.

The tables of the Memorandum purport to put the position in a better light.

15. But the comparatively favourable result thus set forth, showing an average profit of 25.66 per cent. of the gross rent over 20 years, is arrived at by including the four years before 1879, which in most parts of the country were of extreme prosperity. Such a calculation is worthless and misleading as a measure of the "effects of the depression on the occupiers of land," and I am surprised that it should have been put forward at all. Calculations
fallacious.

This calculation is further vitiated by the fact that the number of accounts for the years 1879 to 1881 inclusive, when the most sweeping disasters occurred after the bad seasons, are very small. If the number of accounts had been as large as that for the period 1890–93, the amount of losses which would probably have been recorded would have swamped the accounts for the remainder of the period to 1894, and made the resulting average widely different from what Mr. Little has obtained.

Inconsistent
with other
analysis of
accounts.

16. Taking the whole of the English tenant farmer accounts, which are sufficiently precise,* and taking the averages for these accounts for all the periods they cover, it appears that the average annual rents over the 38,941 acres involved amount to 39,530*l.*, and the average net profit over the whole of the accounts has amounted to only 852*l.* The ratio, therefore, of the average net profit over the whole area is only 2.15 per cent. of the average annual rent, whereas the figures obtained from Mr. Little's tables show a ratio of 25.66 per cent.

Appendix
IV.

But if the calculation is confined to the last five years, the tables of rents and profit and loss handed in by Mr. Lambert show a still more striking contradiction to the figures arrived at by Mr. Little's revision of the accounts.

Illustrations
from Mr.
Pringle and
Mr. Wilson
Fox.

17. Mr. Pringle, in his report on the South Midlands, gives the profit and loss account for 11 farms, over periods ranging from four up to 13 years, and covering an area of 4,986 acres. The total profits were 13,913*l.* 18*s.* 7*d.*, the losses 10,106*l.*, the net profits being thus 3,806*l.* 19*s.* 8*d.*, or a profit of 1*s.* 10½*d.* per acre per annum, or 1½ per cent. on 8*l.* capital. Two of these accounts are of exceptionally favoured farms.

In another table he shows that the average rents of eight farms amount to no less than 7½ times the profits of tenants.

The figures from Lincolnshire are still more striking.

Mr. Wilson Fox, in the appendix to his report on Lincolnshire, gives 10 tenant farmers' accounts for periods ranging from one to 11 years, over an area of 7,341 acres. The average rents for the whole are 8,457*l.*, the average profits 543*l.* 18*s.* 4*d.*, and the average losses 385*l.* 15*s.* 4½*d.*, or a net average profit 158*l.* 2*s.* 11½*d.*, or about 1.86 per cent. of the average annual rent.†

Conclusion.

18. I am convinced from these and similar figures, which can be produced from all parts of the evidence and reports, that the contention in paragraphs 110 and 111, that the position of farmers, as regards profits, is only from 40 to 50 per cent. below what is assumed for income tax purposes to be their ordinary and average range of profits, is fallacious and seriously misleading.

These statements, however they may be supported by rearrangement of figures, are inconsistent with the obvious inferences from all the more recent farm accounts, with the careful records of their own inquiries handed to us by our sub-commissioners, and with the tenour of the great mass of evidence from landowners and agents as well as from tenant farmers.

COST OF PRODUCTION.

Cost of pro-
duction,
pars. 157-
167.

19. Further, I cannot think that the arrangement of the report is satisfactory as regards the "Cost of Production." The economic position of the farmer can only be arrived at by an analysis of the whole of the farm outgoings, including necessarily rents and other non-reproductive items. The chapter on the cost of production deals imperfectly and in some respects inaccurately with the two essential outgoings of labour and fertilising, and excludes the consideration of rent in its relation to the rest of the outgoings. The question of rent is relegated to Part III., "Miscellaneous Subjects bearing on the Agricultural Position," as if rent was not the really vital factor in the outgoings of a farm, turning the balance sheet of the farmer to profit or loss, exactly in the proportion that it is fair and reasonable, or excessive and unjust.

Hope,
Perth, &c.,
p. 8.

Mr. James Hope puts the matter fairly in his report on Perthshire, &c.

"The real solution of the difficulty caused by low prices induced by foreign competition is to be found in a reasonable readjustment of rent. The basis upon which all rents ought to be calculated is the revenue expected to be drawn from the farm after making due allowance for working expenses, interest on capital invested, and a fair return for the skill and labour of the farmer. The balance remaining over, after meeting the cost of production, represents the sum which the tenant can afford to pay as rent."

AGRICULTURAL HOLDINGS ACTS.

Agricultural
Holdings
Acts.

20. The chapter of the report of the majority dealing with this subject may be taken to represent the barest minimum of the amendments of the law to which general assent is now everywhere given. While many of its positive proposals are obviously

* See Appendix I. to this Report and par. 135.

† The items for produce consumed in farmhouses, which are erroneously entered in two accounts on the side of expenditure, are here transferred to receipts.

sound, I regret the refusal to entertain many proposals which have been assented to with practical unanimity by the principal agricultural associations of the country, and have been warmly supported by witnesses representing the landlord, as well as the tenant interest, in our inquiry.

Here, as in all the essential topics of the inquiry, I think it illogical and, in its results, unfair to limit the subject artificially by excluding the real considerations out of which legislation to protect the rights of the tenant in his improvements obviously originated.

21. The origin of the Agricultural Holdings Acts clearly was the insecurity of the tenant in investing money in improving his holding. The Acts were a strictly limited reversal of the legal presumption that everything done to, or put into the soil became the landlord's property, and their intention was to put an end to the confiscation of tenant's improvements, the usual method of which has been by including the annual value added thereby in the rent of the holding. Essential considerations ignored.

While in the paragraphs as to compensation for the sitting tenant, and for unreasonable disturbance, the Report has been obliged to touch on the subject of rent, the discussion is deprived of reality and practical value by the exclusion from this chapter of the representations made to us by nearly every tenant farmer witness, and reported to us by our Assistant Commissioners, that the most serious objection taken to the existing Acts is that, while they give too much help to the bad and unscrupulous, they give little or no protection to the improving farmer, and that the legal protection to the best type of farmer becomes less just in proportion to the greatness of his investments in the soil. This is the key to the real demand for reform, and it is ignored by the report of the majority.

22. I also regret that the report does not assent to the reasonable proposals for freedom to make improvements, and as to cropping and sale of produce under reasonable conditions, which were shown to have had the support of the English and Scottish Chambers of Agriculture, and especially that no encouragement is given, in the recommendations, to that most essential improvement, in these times, the laying down of pasture. Proposals of Chambers of Agriculture and Legislation ignored.

I have also to note that the report wholly omits any recognition of the extensive concessions to tenants, as to the right of making improvements and obtaining compensation, retrospectively as well as in future, given by the Market Gardeners' Compensation Act, 1895. Market gardens, it should have been remembered, are included under the provisions of the Agricultural Holdings Act (England), 1883.

My own views as to the amendments necessary in the Agricultural Holdings Act, and the logical connexion of those amendments with the economic reasoning, which, in my opinion, should guide the whole of these inquiries, are fully stated in Chapters XII. and XIII. of this Report.

LAND TENURE.

23. I take exception to the chapter on Land Tenure because it does not grapple with the real points at issue. Land tenure.

Changes of tenure are suggested in order to prevent certain forms of economic injustice to tenants, which our inquiry has proved to have a wide and disastrous operation in crippling agriculture, as well as in bringing men to ruin who have done and are loyally doing their best by the land.

But instead of dealing with the established facts, out of which the demand for reforms of tenure springs, the report merely criticises the details of proposals and arguments such as those advanced by Mr. William Smith, ex-M.P., and quotes the opinions of well-known opponents of tenure reform in Wales and elsewhere, without going into the merits of the questions involved.

As I have pointed out elsewhere, the essential facts to deal with are:—(1) the practically universal demand that rents should be reduced to a level which would enable the tenant to make some profit, or at any rate equitably share his losses with his landlord; and (2) the practically universal protest of the tenants who put money into their business against the absolute insecurity of their position.

In the face of substantially unanimous evidence from all parts on these points, it seems inconclusive, if not altogether irrelevant, to urge, as any answer to such a demand and protest, that there are frequent expressions of dislike to having rents fixed by a "Land Court."

Real opinions
of farmers.

24. There is, probably enough, a repugnance on the part of many farmers to disclose their affairs in public, and that is naturally their idea of what a "Land Court" would mean.

But it would be not only in contradiction to our evidence, but contrary to common sense, to argue that because many farmers have this dislike to publish the state of their affairs before an open tribunal, farmers generally are hostile to any and every form of practical machinery which would bring within their reach reasonable rents and complete security for their investments.

On the contrary, I submit that our inquiry has demonstrated the necessity, in the interests of agriculture, of meeting satisfactorily the mischiefs shown to be prevalent and has farther shown a striking convergence of practical opinion, in the direction of a workable machinery.

Important
suggestions
and evidence
withheld.

25. The Majority Report omits to set forth the important suggestions made from many quarters,* and submitted also to the Richmond Commission,† as to the appointment of official arbitrators, and the bearing of these suggestions, directly and indirectly, on rent and conditions of tenancy, as well as on compensation for improvements.

Further, in the case of the reports and evidence of Mr. Pringle and of Mr. Speir, both of whom deal with this question, the paragraphs of this chapter are seriously misleading, and withhold matter which should be stated.

While Mr. Speir's evidence on the strictly limited point of judicial revision of rents of land held *by lease* is correctly quoted, the following passages of Mr. Speir's report should not have been withheld:—

Speir,
Ayrshire,
&c., p. 11.

"Everybody is of opinion that nothing can rid agriculture of the millstone about its neck so much as a readjustment of rents in accordance with present prices. . . .

Everywhere evidence was submitted to me that, while many matters connected with the owning and occupying of land require amendment, many farmers say that, 'unless the hiring of land is regulated in some way, so as to prevent [reckless competition], legislation in other channels will be of little avail. They say, if the rent is wrong, no amount of legislation in other directions will make the farm right.'

See also
Pars. 47 and
17 of Mr.
Speir's
Report.

"Few farms yield the profit they might do if farmed to the highest possible capacity consistent with economy. . . . Just now there is little security for money so invested, and, until the Agricultural Holdings Act is very materially amended, it will not be possible to divert much more money into farming."

"Almost every farmer who gave evidence before me on this matter mentioned this as a sine quâ non of success: 'the nearer occupancy and ownership approach each other the better would the land be farmed.'"

"The number is, comparatively speaking, small who are decidedly in favour of a land court to the exclusion of every other means, but a very large proportion say that, unless some better scheme is devised than the present Act, they will be forced, against their inclinations, to favour the establishment of a court to fix rents."

I submit that this is as strong a statement of the real case for tenure reform as can be imagined, and that this chapter, as it stands, gives a wholly misleading impression of the results of Mr. Speir's inquiry.

Mr. Pringle's
reports not
properly set
forth.

26. The paragraph (422A) is also misleading and incorrect.

Mr. Pringle, who, in my opinion, has rendered excellent service as an Assistant Commissioner in all the districts he has visited, found in the South Midlands a district where arable farming had passed through much the same stages as in Essex, though for various reasons the last stage of exhaustion of some Essex districts had not been reached.

Both as to Essex and as to Beds, Hunts, and Northants, Mr. Pringle laid before us much evidence of the feeling of farmers on the questions of unfair rents and insecurity.

In this paragraph the passages of the Essex report are ignored altogether.

Pringle,
Essex.

As to the Essex farmers, Mr. Pringle states:—

"I had continuous evidence of their desire for better security in the form of continued occupation at fair rents, no charge being put upon their own

* Middleton, Kidner, Pringle, J. Hope, Rowlandson, Sheldon, Forster, Hutcheson, Ferguson, Bell, Scott, Lander, Olver, Looker, Bowen-Jones, J. Speir, Davidson, Wilkinson, Stuart, Black, W. Elliot, Flockhart, Fyshe, Pennant, O. Williams, Dutfeld, Price, Brown.

† Coleman; Report on Lancashire, &c., Richmond Commission.

improvements. . . . Any compensation which might be obtained by an outgoing tenant under an Agricultural Holdings Act is but a poor substitute for continued enjoyment at a fair rent. The principle of the Irish Land Act was generally approved of. . . . It was suggested that courts of arbitration should be established, to which parties who failed to agree upon future rents could repair."

Resolutions in favour of these proposals were adopted at meetings of farmers at Pringle, Ongar, Chelmsford, and Braintree, with the qualification, to secure unanimity, that Essex, p. 36. arbitration should be optional and not compulsory.

I feel bound to comment on the exclusion of this important evidence from the chapter on tenure.

27. Further, in his report on Durham and the North Riding, Mr. Pringle again Mr. Pringle's draws attention to the general demand on the part of farmers:— Yorkshire and Durham report omitted.

"If nothing can be done to raise prices, rents must be greatly reduced. *It is the general opinion* that in order to bring about a fair and reasonable reduction some system of arbitration should be set in motion. Land courts, although recommended by a few, are not, generally speaking, desired. Tenants prefer to arrange rents, if possible, without the intervention of a third party, *but failing a satisfactory agreement, they feel that arbitration should be at hand. To this proposal some landlords make no objection.* The owner of a very large estate said: 'Provided that an entirely impartial arbitrator could be found arbitration would not be objectionable to me.' On another large estate arbitration has already been called upon to settle disputes as to rent. . . . Given a person whose mind is free from bias or partiality, it is thought that his presence would be of immense benefit, and his assistance freely sought and fully acquiesced in."

And the vital reason for such arbitration is also clearly stated. Mr. Pringle goes on:—

"It was frequently stated that the tenant who by good and liberal treatment has made his farm a place to be desired, is in a most unfortunate position when seeking a reduction of rent. It is to protect such a man from being rented on his own good management that arbitration is suggested. Both in Durham and Yorkshire I heard of numerous cases where landlords had sent away good tenants, owing to disagreement upon the question of a fair rent, and after a time had been forced to accept lower offers from strangers."

These passages from the Yorkshire Report are also withheld, although obviously of the highest value as matter upon which the judgment of the Commission should be given.

28. Mr. Pringle found similar opinions general in the South Midlands. His evidence Mr. Pringle's when examined as to his report is conclusive. Thus he says:— own evidence.

"The Bedford Agricultural Society, the Huntingdon Agricultural Society, and the Northampton Agricultural Society and Chamber of Agriculture, selected all 47,613. my witnesses for me,"—(100 in all)—"including landlords as well as tenants." 47,614.

"My note-books show that almost one out of every two tenant farmers that I saw spoke on this subject—that the business relations between landlord and 47,864. tenant might be put on a more satisfactory footing." 47,608. 47,807.

"They have the feeling that, providing the landlord were to die, the tenant has no security whatever, and that he may be turned out if the landlord likes, if any 47,617. difference arises about rent."

"I heard of a great many cases illustrating this insecurity of tenure. I would 47,625. not take evidence of that character from any person unless he was able to substantiate it. Estates would be picked out for me, and cases would be given of where a good tenant had to leave because he did not offer a sufficiently large rent, and the farm would be taken in hand for a year or two, and finally it would be let to some other person for a lower rent . . . the farms were pointed out to me that had gone through this."

"I have no hesitation in saying that 75 per cent. of the tenants who have mentioned 47,629. that matter to me would adhere to some system of arbitration. My note-book is full of evidence of that."

"There is a very strong opinion that the time has come when there is some system 47,753. wanted for amicably and quietly settling disputes between landlords and tenants upon all points."

- 47,635. "The principle of arbitration was in the minds of those men before I went near them at all, and they had also opinions upon what this arbitrator ought to deal with, and the qualifications that were necessary. These, as they came before me one by one, were all noted down in my books, and I tried to condense the thing and produce it to you in this form."
- 47,636. "The men who mentioned this question of the determination of the rent were chiefly those who kept books."
- 47,694. "They do not like the idea of a land court."
- 47,692. "The general feeling was that the work should be done through the board of assessors or their representative (official arbitrator) appointed by the Board of Agriculture."
- 47,760. "If official arbitration could not be carried out without the publicity that is inseparable from a court and the friction caused by landlord and tenant appearing in person before a court, I am sure the great majority of those who mentioned the matter to me would prefer to go on as they are."
- 47,761. "There is nothing in this report except what I have heard."
- 47,942. "Many tenants, and they appear to be good tenants, feel that in these present times . . . there is far more liability to differences and disputes than there used to be, and that there ought to be some way of protecting the sitting tenant from the differences of opinion."
- 48,246. Mr. Pringle then goes on to quote from his note-books what had been said to him by a number of tenant farmers, substantially of the same tenour as his report and his evidence, premising that the whole of these communications were made confidentially and that the tenants might object to their names being given.
- 48,245. The whole of these extracts from his note-books were taken from interviews with farmers in *Bedfordshire*.

In my opinion, the idea of arbitration, not definitely worked out in a Parliamentary Bill, but in the rough, practical form which would commend itself to men who, in his words, want a peaceful and easy machinery for insuring "continuous enjoyment at a fair rent," not by litigation, but by a reference to a local agricultural expert, in whom all parties could place perfect confidence, could not be stated more simply and fairly than in Mr. Pringle's report and evidence.

Insufficient statement of evidence of witnesses.

29. But this suggestion is not attempted to be discussed on its merits by the Majority Report. The only answer to it is a quotation from the evidence given before the Commission by two of Mr. Pringle's witnesses, *not from Bedfordshire but from Northamptonshire*.

Important replies of both these witnesses are withheld which bear materially on the proposals and the reasons given for it.

In reply to the question "Is there any strong opinion in Northamptonshire in favour of having official arbitrators to whom you would refer all these questions—a sort of land court?"—(Mr. Nunneley.) "I do not think there is any strong feeling in favour of it. *I think among tenant farmers there would be rather a preponderance in favour of it.*"

- 56,562. Mr. Britten, who has been nearly 40 years on the same farm and under the same landlord, stated that if he had not received a 30 per cent. reduction he would have been ruined, and even with it he has made a very poor interest on the capital he employs, that he knew of cases where reductions had only been 10 per cent., others where there had been no reductions, and cases where new tenants have had greater reductions than the old ones were offered. Those who had no reductions had fared very badly, are in a desperate position, and near starvation.

It is obvious, therefore, that Mr. Britten admits the whole case on which the proposal of arbitration is based, and that his reply that "tenants have, as a rule, been enabled to take care of themselves" must be taken with much qualification.

Mr. Rew on Devonshire opinions as to rent and arbitration and other evidence also excluded.

30. I regret, further, to note that the passages to a similar effect in Mr. Rew's valuable report on North Devon have also been excluded from this chapter in the same way as the passages from Mr. Pringle and Mr. Speir.

After stating with precision the complaints made by farmers as to insecurity, the position of the sitting tenant, and the results of competition, Mr. Rew goes on:—

"I am bound to say that it was more common to protest against the present rents as excessive, and to say that landlords ought to reduce them."

Resolutions in favour of arbitration in all cases of dispute between landlord and tenant, including the question of rent, were adopted at meetings at South Molton and Barnstaple.

Rew, North Devon, pp. 17 and 18.
See Collins, 37,239.

Mr. Rew explains that, in his opinion, those who advocated the fixing of rents by an official authority had not thought out all the conditions and consequences of their proposals, or in all cases made up their minds whether arbitration was to be voluntary or compulsory. *But they wanted it to meet the case of tenants who could not get a fair reduction.*

It is unsatisfactory that the report of the majority ignores the proofs thus afforded in our inquiry that this legitimate demand for reasonable valuation of land for rent is not being met, and ought to be met by some machinery.

And I submit, further, that the omission to discuss arbitration on its merits, or even to allude to such a scheme of revaluation as that suggested by Mr. Gilbert Murray is a grave defect in the report and likely to arouse much doubt as to its adequacy and impartiality.

31. In this connexion it is a matter of surprise that this chapter contains no reference whatever to the evidence given by Mr. Pennant, a Welsh landowner.

Mr. Pennant's important evidence also withheld.

57,421.

57,428.

57,431.

57,439.

57,440.

Mr. Pennant strongly approves of official arbitrators being appointed by the Board of Agriculture, men of character and local knowledge, who would command the confidence of landlord and tenant, and be independent of both.

With such arbitrators "the sitting tenant would get what he wanted, without having any unpleasantness with his landlord."

Asked if the sitting tenant who had made improvements "would not be entitled to have a reduction from his rent according to the value of the compensation due for that improvement," Mr. Pennant replied:—

"Any matter that they chose could be referred to a competent individual. I will take the case of myself. I had spent a considerable amount of capital on a farm and improved it very much; I thought in consequence that the rent ought to be so much, in fact, we agreed that it should be, but when the improvements were done, the tenant thought the rent was too much; we agreed to refer that to a person in whom we both had thorough confidence, and he decided for us, and I acted on his decision. I and the tenant were fortunately able to find such an individual. I want to create individuals of that character, and it can best be done by the Board of Agriculture, and then I am sure that landlords and tenants would make use of them in the future, and would be glad of them."

"Of course a sitting tenant should not be rented upon the unexhausted value of his improvements; this was a case of increased rent in consequence of improvements done by myself, but the tenant had helped me in doing them, and we wanted a person to decide fairly between us, and we secured the person."

"They would employ these arbitrators whenever there was a difficulty, and you would have practically no litigation."

57,471.

All cases under the Act must be referred to them.

57,476-9.

32. Other omissions and inadequate or misleading references or quotations may be pointed out in this chapter. Conclusion.

I have selected the above as a sufficient illustration of our initial comment on this chapter, viz., that it does not touch the real issues raised, and does not attempt either to challenge the existence of, or to suggest any practical solution for the serious difficulties, economic and legal, in the relations of landlord and tenant which the agricultural depression has brought more vividly to light, and to meet which suggestions as to reforms in tenure have been made.

RENTS.

33. The whole reasoning of the chapter on rents is vitiated by the assumption that there is perfect freedom of contract in bargaining. It ignores the mass of evidence, in my opinion conclusive, as to the inability of the improving farmer to reduce his rent, by bargaining, to the point which leaves him the results of his improvements and high cultivation, and it ignores also the conclusive evidence as to the force of competition in keeping up the rents of such farms to a level which transfers the whole or major part of the profits to the landlord. Wrong assumptions.

34. While it is perfectly true that the further shrinkage in agricultural prices and in land values could not accurately be predicted in the earlier years of the depression, it is plain from facts brought before the Richmond Commission in 1881-82, before the Commission on the Depression of Trade and Agriculture in 1885, and the present Commission, that the attention of landlords and agents has been vigorously and Excessive rents an essential factor in depression.

unceasingly called to the necessity of permanent and adequate reductions of rent, and that these reductions have in most cases been postponed till the last moment, and in a great number of cases have only been made after the ruin and removal of the old tenants.

I submit that the chapter in the Majority Report on rents fails to present the facts laid before us as to the extent to which high rents, and rents which absorb and confiscate tenants' improvements, have led to crushing reverses, to wholesale ruin, to the sweeping away of large numbers of old tenants, and to continual and widespread deterioration of the condition and the productive power of the land.

I think that the evidence cannot but produce on any impartial mind a profound conviction that, next to the fall in prices, the greatest and most destructive cause of agricultural depression has been the draining away of tenants' capital in paying rents, which it was impossible to pay fairly out of the produce of the land, and at the same time to pay adequately for labour, manuring, and the expenditure essential to the proper maintenance of agricultural condition.

Richmond
Commission
and
evidence.

Richmond
Commission
Report, p. 28.

Richmond
Commission
Report, p. 40.

35. I would once more draw attention to the paragraph in the Richmond Commission Report, which thus sums up the subject of rent :—

“While we strongly object to any legislative interference with arrangements on the question of rent between landlord and tenant, we are of opinion that it will be for the interest of both parties that rent should be so fixed by voluntary agreement as to enable farmers to meet the difficulties of their position.”

In his Supplementary Report to the Richmond Commission, our colleague, Mr. Clay, said :—

“A readjustment of rent is most urgently required by the large majority of farmers in the country, and it is for the interests not less of landlords than of tenants that a readjustment should take place at once to meet the altered circumstances with which farmers have now to contend. The report, in my opinion, should distinctly recommend full readjustment of rent for the adoption of the landlords. An abatement of rent for one or two years will not meet the difficulty, or allow tenants to recoup themselves and do justice to the land ; what is required is a permanent reduction of rent to give tenants some hope of regaining their lost capital, and an impetus to increase the fertility of their farms by the continued high cultivation of the land. . . . Evidence has been given that rents have been unduly forced up by class laws, false and inflated competition, also by the letting of farms by tender, and screwing out of tenants more than what could be honestly paid from the produce of the soil.”

I hold that the evidence taken in our own inquiry shows that neither in point of time nor in degree, have rents been reduced in anything like fair proportion to the heavy and progressive fall of prices, and that therefore it is clear that over-renting has been to an even greater extent an operative cause in the disasters of agriculture in the last few years than it was at the period of the Richmond Commission.

Other
objections.

36. It seems to me scarcely reasonable to treat the question of a “fair rent” as of extreme difficulty (par. 436), when well-known landlords like the Duke of Richmond and Sir Michael Hicks-Beach have indicated clearly that rents should not be fixed by competition but by valuation, and land agents of repute, like Mr. Gilbert Murray, have approved the necessity of a careful re-valuation based on prices and productive power.

Doubt is attempted to be thrown on the contention of tenant-farmer witnesses, and on the inferences drawn from the farm accounts submitted to the Commission. It is a sufficient reply to point out that in an exceptionally bad year, 1892, after 13 years of progressive depression, the accounts of 29 of the most important estates in England and Wales show a rent actually paid averaging over 24s. an acre, and a net rent, after deduction of outgoings of the most comprehensive character, including items extraneous to estate maintenance, of nearly 14s. an acre. Without further evidence from other quarters, these estate accounts demonstrate that, although agricultural prices are down from 25 to 40 per cent., and the cost of production has increased rather than diminished, an altogether disproportionate share of the value of the produce is still being assigned to the owner, and a fair balance has not yet been struck between the parties.

Fallacious
calculations.

37. I take exception also to the statement in paragraph 439. The only fair way of estimating the proportion of profits to rent is by taking the average. I have already, in paragraph 16 of this Report, given reasons and figures which go to prove that the

calculations in the Majority Report are misleading, and that, so far as the farm accounts throw light on the matter, the average profits have nearer 2 than 26 per cent. of the rent. To reach the income-tax standard of seven-sixteenths, the average profits should have been, not 852*l.*, but 16,331*l.*

This subject is further dealt with more fully in paragraph 135 of this Report.

38. The reasoning of paragraphs 441 to 449 rests on the assumptions (1) that tenants in general can and do avail themselves of "the annually recurring opportunities" of getting rents revised; (2), that "the market price paid for land is the best if not the only available test of its value"; and, apparently, also (3) that landlords are justified in accepting the competitive rent, without considering for themselves whether it can or cannot be paid out of the actual earnings of the land. Competition rents unjust.

The inference is drawn that "rents are now, generally speaking, adjusted to the conditions of the farming industry," and "the main burden of agricultural depression now rests upon the owners and not upon the occupiers of the soil."

It is, in my opinion, difficult to reconcile these conclusions, and the *à priori* reasoning on which they are based, with the admissions, made in paragraphs 450 and 451, that "readjustments" have not been universal, and, in paragraph 446, that farmers do pay too high rents from reluctance to lose their homes and to sacrifice their capital.

I submit further that these assumptions and conclusions are in conflict with most of the evidence given by tenant farmers, and, as regards making competition the measure of rent, are refuted by the evidence of some of the best representatives of the landed interest. This is fully shown in Chapters VIII. and IX. of this Report.

I regret also that in paragraph 446 there is no recognition of, or attempt to meet, the statements made by the great majority of tenant farmer witnesses that reductions of rent have usually been refused to old tenants, which on a change of tenancy have to be made for new tenants. It is really beside the point to affirm that tenants go on, of their own accords, paying too high rents in order to retain their homes and avoid the loss of removing and selling off. See especially paragraphs 151-2.

39. In reference to other chapters of the Majority Report I have further to state that in some respects the chapter on small holdings, and especially its lack of practical suggestions, seems to me unsatisfactory, and that question has, therefore, been dealt with in a special chapter. Remaining points.

The same remark applies to some extent to the subject of railway rates, to which I attach great and urgent importance.

CHAPTER II.

The Decline of British Agriculture.

40. The Commission presided over by the Duke of Richmond brought together an immense volume of evidence illustrating the initial stages of the great decline in British agriculture, which has been in progress now for nearly 20 years, in the parts of the country worst affected. The reports of the Assistant Commissioners appended to the evidence of the Richmond Commission gave a systematic review of the position of agriculture in typical sections of the country, which is of the utmost value for purposes of comparison with the state of things disclosed by our own inquiry, and by the reports of the present Assistant Commissioners as to the same sections of the country in 1894 and 1895. The depression continuous.

In the main it will be found that the tendencies at work from 1875 to 1882 and the results, either general in all parts of the country, or locally limited, which are noted in the earlier inquiry are, broadly speaking, identical in character with what has been brought before us in the present inquiry. The general symptoms of depression in the years 1892 to 1895 were but the more acute development of what was recognised in the years 1879 to 1882.

41. But there are some essential differences between the agricultural situation now and the agricultural situation 15 years ago. At the former period farmers were, some of them, swept off their legs, and many of them getting into difficulties, from a succession of cold, wet, and ungenial seasons. These culminated in the worst season ever known, that of 1879. There was for some years a deficiency of crops, and a deteriorating of their quality. And the persistence of bad seasons got the land into a more or less unworkable condition, or at any rate very much diminished the productive powers and qualities of the soil. These results were, of course, more marked and decisive in the case of the heavy clays, and generally of arable land, but it may Difference between situation in 1882 and now.

Wilson Fox,
Cumberland,
p. 22.

W. E. Bear,
27,492.

C. S. Read,
16,044.
Bear,
27,502.
27,497.

Huskinson,
705, 707,
710.
1113.

Olver,
37,474.
Rankin,
5301.

Results dis-
proportionate
in different
districts.

Middleton,
2403, 2405.

Appendix
A. II., Vol. I.

The arable
districts.

be affirmed that no class of farm really escaped, unless it were the pasture and upland farms of Cumberland and some districts in the north, including large portions of Scotland where the season of 1879 especially was not so disastrous as in England. But, in the later period, the decay of agriculture has not been marked so much by physical deterioration of the soil from unseasonable weather as by a dwindling alike of the returns and the resources of agriculturists of all classes, showing itself in the inferior working of the soil, and the loss alike in the quantity and the quality of the produce. The physical and economic difficulties of agriculture have not been due so much to Nature as to the increasing poverty of resources and the decreasing margin between returns and cost of production. It is true that the cold summers of 1891 and 1892 and the great drought of 1893 have contributed largely to this impoverishment. But in many parts of the country the continuous heat of 1893 had a specific restorative effect on arable land of high quality like the warp lands of North Lincolnshire and in its after effects on pasture land. In the opinion of many experts, so far as Nature is concerned, though few of the seasons since 1882 have been exceptionally good, the average of seasons since 1883 has been such as to gradually restore the tone of the land.

In the words of Mr. Huskinson, who speaks of large estates in several counties, "There has been a progressive improvement;" "the grass has come round in quality, and arable land never was better." "We were never in a better state with regard to the quality of the land than we are now." But in spite of this natural restoration there can be from the mass of evidence before us no reasonable doubt that taking the country as a whole the land is, in many districts, not farmed so well as 20 years ago, that its productive power has been lessened, and that in some parts of the country much of the land has virtually passed out of cultivation altogether in the sense understood for a generation back.

42. One of the points which merits closest attention in the results of the economic struggle we are tracing is, that, while agriculturists have had an uphill fight everywhere, which has left few unscathed, the results of the struggle have been so disproportionate in different parts of Great Britain. Taking rent as one of the measures of depression, on the excellently managed estates of the Duke of Richmond, there has been a fall of 37 per cent. on the Goodwood property, while on his Scotch property, in spite of heavy occasional remissions, land values have not seriously fallen. Lord Aberdeen, on his Haddo estate, stands where he did about 10 years ago, and his agent could relet farms at a 10 per cent. advance. Lord Wantage, in Northamptonshire, gets only half the net receipts he did 10 years ago, and but a third of what he got in 1875. The contrast is still more striking when we find on cold clay land a Yorkshire farmer, near a moderately big town, can keep going and pay a rent of 36s. an acre, and all the successive increases of local rating in addition, while on hundreds of farms, with a soil not wholly dissimilar, in Essex, a rent of from 10s. down to 1s. an acre has not meant a livelihood, within an hour by rail of the largest concentrated population in the whole world.

The north, on the whole, has been and still is far better off than the south. This may be roughly illustrated by the net rental of the agricultural position of the Crown lands. In the northern counties of England, 21,503 acres are let, a rent of 26,747*l.*, with only 470*l.* of remissions, and none of the land is in hand; while in the southern and midland counties, 8,191*l.* has to be remitted on a rental of 53,251*l.* for 46,317 acres, and 1,676 acres are in hand.

It is obviously, therefore, of importance in elucidating the causes of the depression, both fundamental and contributory, and in arriving at suggestions which may help the future position of agriculture, to summarise the evidence as to the special characteristics, and stages of the depression in the several parts of the country.

43. Using for convenience the divisions adopted in the agricultural returns, it is plain that the great tract of arable land in Divisions 1 and 2, the chief corn-producing area, in which scientific agriculture has had its most striking triumphs, has suffered most. And within this vast area, it has been in the eastern and some of the southern counties, that agriculture has been longest in decay, and has sunk to the lowest stage of exhaustion. To a large extent, the nature of the soil has been the measure of the acuteness of the depression. The very heavy clays which are hardest and most costly to work, and the light lands which were artificially brought into high cultivation under the stimulus of high prices for corn have naturally been worst hit. This has been the general result in Essex, Suffolk, and Norfolk, Wilts, Hants, Berks, Beds, Northants, Hunts, and other counties. Where, on the other hand, there is a rich and

fertile soil, which can be easily and cheaply worked, as in parts of Lincolnshire and Cambridgeshire, and in some districts of Northamptonshire, or where the nature of the soil has led to mixed farming, there the losses and deterioration of agriculture have been materially lessened.

44. In Essex within 20 years whole tracts of land, previously yielding heavy crops and paying high rents, have passed almost out of cultivation, while hundreds of the men who have spent their lives in earning those rents have been ruined and obliged to give up farming. Essex. Pringle, Essex, p. 6.

"No one can well conceive, who has not seen it, the condition to which a large part of the land, which has been allowed to tumble down to grass, has been reduced. A real calamity has fallen upon a wide district. The farmers and labourers have gone. The farms, where let, have been taken rather as ranches for cattle than for serious cultivation. The farmers who have survived have lost heart." Notes of visit paid by Mr. Shaw Lefevre, p. 5.

The stages of this process are clearly indicated in Mr. Pringle's report. Essex farmers began to break as soon as wheat went below 50s. a quarter, from 1875 onwards. The season of 1879 crippled the remaining old tenants, ruined many new tenants, and threw a large number of farms upon the hands of owners, who cultivated them for some years with heavy losses. "Farmers continued struggling along as best they could, paying rent in dribblets, getting involved in various ways, and gradually allowing their stiffest fields to drift out of cultivation." Pringle, Essex, pp. 18, 19.

Between 1880 and 1889 there were an enormous number of changes of tenancy. Everywhere farms have been falling from old rents of 40s. to 25s. down to a shilling or two, or the tithe, or absolutely nothing. One witness says, "In this parish more than half the land has gone out of cultivation. I am the only old tenant left. On many farms tenants, two or three deep, have come and gone within the last 10 years, the greater part either completely ruined or nearly so." "Landlords will accept any rent rather than take exhausted land into their own hands." There are fewer unoccupied farms in Essex now than 10 years ago, largely because the land which has tumbled down to rough herbage is now capable of being used for temporary sheep runs, and is let for that purpose at a nominal rent. p. 7. pp. 7, 16, &c. p. 14.

The soil and subsoil in most of the Essex corn area have been as responsible for these disasters as the great fall in prices. The Essex farm has always and will always be costly to work. It is costly even where the blueclay has a porous, gravelly subsoil. It is still more costly when the subsoil is, in the words of one of Mr. Pringle's witnesses, "stiff, tough, numb, dumb, and impervious, so that during heavy rains the vegetable mould and manures are washed off the surface on to the great mud beds of the rivers. The plants are at once waterlogged and starved." "When once the strong three-horse clay land is let lie untended for 12 months, the probability is that it will pass out of cultivation altogether." p. 3. p. 17.

And recovery, in these cases, is economically impossible. This heavy land would require two years fallowing and a good dressing of lime, and in many cases thorough redraining to restore it to cultivation. But this description of land is now not worth more than 5*l.* or 6*l.* an acre, and the process of restoration would cost from twice to three, or, even in some cases, four times the freehold. pp. 14, 15.

The situation is the less hopeful for this class of land, because it will not naturally bear really good grass. Pringle, 8558, &c. 8561, 8599.

The heavy land is hopeless for arable purposes if present prices continue. Strutt, 13,864, 13,938.

Mr. Darby's evidence does not materially qualify the general results stated. His contention is that most of the land is earning some small rent, and although he does not deny that the cost of restoring the workable condition of the heavy clays, under present circumstances, is prohibitive, he thinks that the "tumbled-down" deteriorated fields could be made much more of than they are now. He does not attempt to disprove the general disappearance of high cultivation, or the enormous depreciation of values, and his evidence rather turns on the definition of the word "derelict" land. Darby, 59,038, &c.

Mr. Matthews, who farms nearly 1,600 acres on the Dunmow side of Chelmsford at a rent of 1*l.* an acre—land more easily worked, and suitable for heavy manuring with fertilisers—states that selling off all roots, clover, hay, and straw, feeding bullocks, and going in also for poultry and pigs, he has done fairly well and "keeps even now on the right side of the line." Others are in the same position. Farmers even on this better soil cannot save money. Mr. Matthews wholly confirms Mr. Pringle's views of the worst districts. 61,504, 61,598, 61,474, 61,480, 61,604.

45. Turning to Suffolk, the heavy lands which form two-thirds of the agricultural area, have had much the same history as in Essex. Suffolk. Wilson Fox, Suffolk, pp. 6, 7.

- Biddell, 39,453. Things began to go down from 1875, and went from bad to worse, unpropitious seasons and progressive impoverishment of tenants deteriorating the soil, and making recovery more and more economically impossible.
- Wilson Fox, p. 51. The losses on the light land, which only high prices brought under cultivation, are only less heavy. Mr. Fox gives particulars of 38 farms, comprising 4,741 acres, which were totally abandoned at the close of 1894, and thinks there may be many more.
- Wilson Fox, 49,725, &c. p. 52. He adds, "Many predict that a considerable quantity of the very heavy and very light land must go out of cultivation after Michaelmas 1895." Even when farms are let, much of such land is practically uncultivated, and used as rough sheep runs. Its value is put at 1s. an acre or less. The deterioration has been progressive, less labour being employed, the land getting foul, and, less stock being kept, fertility has been decreasing.
- Everett, 18,772. There has been an enormous depreciation, both in the letting and selling value of land, especially the latter. Rents have fallen anywhere from 50 per cent. to nothing at all. Land, where saleable at all, has sold at nominal value, less than the cost of the buildings in some cases.
- Wilson Fox, 49,721. Again, things have gone badly with Suffolk, mainly because, with rare exceptions, the Suffolk soil is not suited for producing, at any rate, the best quality of pasture. It is difficult to grow anything else but cereals on a considerable proportion of it." On many estates there is practically no return at all, on most it would be impossible for owners to keep up buildings and repairs unless they have other resources than the rents, while among tenant farmers there is widespread despair, and even on liberally managed estates there have been practically no applications for farms.
- 49,738.
- Norfolk. 46. In Norfolk, as in Suffolk, there has been disastrous and persistent falling away from a high standard of productivity, and of prosperity ever since 1875. The features of the decay are also similar. With the exception of the naturally rich soil of the north-eastern part of the county, the splendid results of arable farming in Norfolk were due to the triumph of science and capital over the "niggardliness of Nature," and there has been a steady tendency to revert to the poorer condition of things a century ago, a tendency accompanied by widespread ruin to both landowner and farmer.
- C. S. Read, 15,956. Mr. Read, whose lengthened experience and authority is of exceptional value, describes the condition of the farmers of Norfolk as "verging on absolute ruin and wholesale bankruptcy."
- Rew, Norfolk, p. 3.
- Read, 15,956. "Almost all the land that has been improved during my lifetime has now gone back to its original condition." The light lands are not now worth as much as they were before they were broken up; the heavy land which steam cultivation and high farming has made so productive, and the light fens, which were drained 50 years ago, have now all gone back. Bad seasons began the troubles, persistent fall in prices deepened them, and the impoverishment of both owner and tenant have helped to complete the work. The land has either drifted out of the old cultivation altogether, or production is less, because the land can neither be properly stocked nor farmed.
- 16,031. Mr. Rew describes the position at the close of the year 1894 as one of acute panic. The long process, which had begun in the bad seasons from 1876 to 1883, was brought almost to a close by the unpropitious harvests of 1892 and 1894, and the drought of 1893, coupled with the great fall in prices of corn, wool, cattle, and sheep. The Report of the Committee of the Norfolk Chamber of Agriculture estimates that the depreciation of the freehold value of agricultural land has been 25l. an acre, or 30,000,000l., in the whole county, while the tenant farmers have lost 5l. an acre of their capital, or over 6,000,000l. On Lord Leicester's estate, where no tenant had ever before thrown up a farm, eight farms were vacated from Michaelmas 1894. As in Suffolk, even on excellent estates, there have been few, if any, applicants for vacated farms. In one district it was stated that 3,000 acres might be had rent free.
- 16,032. App. B. 1. p. 19. do. do.
- Rew, Norfolk, pp. 9, 10. p. 9.
- Simpson, 16,806. Engleheart, 4188-96. Hampshire.
- Rew, Norfolk, p. 25.
- Stratton, 6702, 6708. 47. Dealing further with the great corn-growing belt of country where depression has been most severe, we find that in Hampshire much of the land which formerly yielded large returns with turnips, oats, and rotation grasses, is now worth nothing, and has gone out of cultivation. Mr. James Stratton estimates this area as "about one-eighth of the whole county."
- Fream, Andover, p. 5. Dr. Fream, in his report on the Andover side of the county at the close of 1893, gives a deplorable picture of despairing farmers, asking for "prairie rents," and at their wits' end to find any profitable or economical substitute for wheat which can no longer be grown without heavy and constant loss.
- "North of Andover there is much land letting at 2s. 6d. an acre upon which the tithe is 6s., and yet with "rents down to nothing," not even a fair interest on the cost of

buildings, much less enough to enable landlords to carry out repairs, the majority of tenants seem to be losing money.

The average fall of rents has been 50 per cent., but, in Mr. Stratton's opinion, rents must go down 25 per cent. more to enable tenants to make ends meet. Mr. Stratton himself was able to hire a square mile of arable land for a sovereign, in other words for the rates and taxes and cost of cultivation.*

Mr. Eyre's interesting evidence as to small holdings in the New Forest district is dealt with in the chapter on small holdings.

Although the position has probably improved not a little since the disastrous drought of 1893, Mr. Stratton's opinion that landlords who had no other resources than agricultural land could not maintain their estates, and that tenants are on the verge of ruin cannot be treated as an exaggerated view of the position in many such districts.

48. In adjacent districts of Berkshire and Oxfordshire, on the line of the downs' large tracts of land which have in past years grown fair wheat and barley, excellent turnip crops and have produced some of the finest sheep in the country are now out of cultivation and practically worthless. The freehold value has enormously depreciated throughout this district. On the Duchy of Cornwall farms in Berkshire rents have fallen from 35s. in 1880 to 4s. 5d. in 1893.

Berks, Oxford
shire, Bucks,
Herts.
Adams,
Latham,
37,803, &c.
Lowsley, 31,
37,872.
Squarey, 7494.
Holzmann, 5865.

In districts like the Vale of Aylesbury the rich pastures have not suffered though the price of milk has fallen, and even there land values are shown to be depreciated by sales. Hertfordshire has seen many changes of tenancy on the poor and heavy lands: tenants are impoverished, land worse cultivated. But the condition of this county is altogether better than the adjacent districts of Essex, and farms near railways have by catering for the London markets secured a degree of profit where worked with skill and capital.

A. Spencer,
Aylesbury
and Herts.
pp. 21, 22.

p. 27.

49. As to Wiltshire, on the great chalk tableland of Salisbury Plain, where 57 per cent. of the total cultivated area is still under the plough, there have been reductions of rent from 30 to 75 per cent., while farmers have lost heavily, the large holdings of this district requiring the constant application of a considerable capital. Sir Michael Hicks Beach vividly illustrates the depression in Wiltshire by his evidence that, with the heavy reductions of rent, tenants were neither gaining or losing money, but just holding on, and, on the other hand, the rents were not "living rents" for the landlord. Some witnesses doubted whether any reduction of rent could keep the land in cultivation, but the course of events has led rather to the abandonment of farms. The poor and thin downlands were broken up between the forties and the seventies, and are now "tumbling back" to their former condition, but deteriorated so that the old grasses will take many years to get back to what they were 40 years ago. To some extent agriculture has been helped by the careful system of water meadows adopted.

Wiltshire and
Gloucester-
shire.
Rew,
Salisbury
Plain.
Hicks Beach,
6042.
6087-9.
6193.
Squarey, p. 12.
p. 15.

Where dairy farming is possible, and has been well developed as in North Wiltshire, the conditions are much more favourable.

Squarey.
Hicks Beach,
6041.
6032, 6037.

In the hill districts of Gloucestershire farms which rented from 20s. to 31s. 9d. an acre in the seventies, now stand at from 12s. to 8s.

Mr. Spencer says of this stretch of country, "The poorest arable land has suffered most of all. The cold, bleak soil of the Cotswold Hills and the thin chalk land on the Berkshire Downs, and Chiltern Hills, when prices fall below a certain level, can no longer be cultivated at a profit, and as they cannot be laid down, must economically drop out of cultivation."

Spencer,
Oxford,
Gloucester,
Wilts, and
Berks, p. 29.

50. Turning to the South Midlands, Mr. Pringle has given a vivid sketch of the decline of agriculture in Bedfordshire, Northamptonshire, and Huntingdonshire.

Beds,
Hunts,
Northants.

The cold, wet seasons from 1875 to 1880 gradually put the heaviest clays out of workable condition and started the ruin of the rest. And the mischief was not confined to arable land. The finest pastures of Northamptonshire were deteriorated by the icy rains of 1879; the grasses became coarse and fell to the level of store grazing, while "fluke" destroyed flocks by the thousand, and swept away farmers' capital. And since 1879 there have been continually falling markets, and the farmer has been unable to recover his capital.

"Serious loss, if not ruin," he says, "threatens everybody whose capital is represented by or invested in land. I much doubt whether half of the arable farmers of the three counties could pay 20s. in the £. Were I to accept the evidence given to me without

Pringle,
Beds,
Hunts, and
Northants,
p. 54.

* This farm has since been relet by the owner.

47,828. qualification, I would be compelled to report that over a large proportion of these counties farming has assumed all the features of a bankrupt industry."

p. 35. Up to 1890 graziers had done fairly well, but since that year the fall in the value of fat stock, and the scarcity and dearth of store cattle, have pulled them down too.

In these, as in the eastern counties, the heavy clays and the light lands have suffered most, while there is, in all of them, a residuum of exceptionally good and well placed land that has escaped—sometimes rich pastures, in other districts the deep loam of the fens.

Lincolnshire, 51. Lincolnshire and Cambridgeshire show, except locally, a less serious phase of the
Cambridge- distress. Mr. Fox in 1895 reports of Lincolnshire, "Owing in the first instance to bad
shire. seasons, commencing in 1874, and then to the rapid and continuous fall in all prices
from 1882 and 1883, coming at a time when there had been great losses, through
Wilson Fox, decreased yields and sheep rot, and also when the land was much deteriorated, the
Lincoln, farming industry has suffered blow after blow, until the present time, when the
p. 35. situation is extremely critical and the future outlook of the gloomiest character."

p. 36. During the wet seasons "grass was deteriorated, manure washed out of the soil, and
there was no opportunity of getting the farms clean." "The strong land felt the
do. effect of the wet first, and that suffered more than any other, as it became perfectly
sodden and almost incapable of being worked, while the warp and marsh lands were
seriously affected also. In mere physical condition the hot seasons of 1887 and 1893
had a distinctly restorative value. But this county has, from the quality of its several
types of soil, and from the high standard of cultivation maintained for generations,
and the large amount of capital in the hands of farmers, held out better than East
F. Turnor, Anglia.
14,398.

The letting and selling value of land where there is any demand has gone down practically nearly one half.

Messrs. The best farms are said on good authority to have depreciated 20 per cent., the
Thompson average farms 33 per cent., and the heavy clays from 60 to 75 per cent.

Much of the land, especially in North Lincolnshire, is still well farmed and in a high
state of cultivation, and the rich potato and market gardening lands in the south and
east are still productive, though rents have fallen. There is a striking absence of the
"tumbled-down" and "twitched-down" land of several other counties, and there
has been so far little, if any, of the starving off of stock, especially sheep, which has
helped to ruin the fertility of other counties. But the last 10 years have made
tremendous inroads on tenants' capital, and the bad seasons of 1892 and 1894 have still
further weakened the corn farmers, as the drought of 1893 struck down the grazing
men.

The position of the small freeholders in the Isle of Axholme and elsewhere is dealt
with in the chapter on small holdings.

In Cambridgeshire, while much of the fen land in the Wisbech district (used largely
for fruit growing) and some of the medium turnip and barley land in the Newmarket
district has pulled through without much loss, the heavy land has followed much the
course of Suffolk and Bedfordshire, has been allowed to seed itself down, and "is on the
verge of abandonment," while rents have fallen from 50 to 80 per cent. Changes
of tenancy have been frequent, celebrated flocks of sheep have been broken up, and
farmers are on the brink of bankruptcy. But the economical position is not everywhere
unsatisfactory. Mr. Pell, farming 1,034 acres of good land in the Isle of Ely, had, up
to 1892, been able to pay himself a rent of 47s. an acre, though he lost money in
1893 and 1894. Such an experience cannot be unique, and obviously leaves a margin
for a moderate rent for owners and a small profit for occupiers.

Midland 52. Mr. Turner, Assistant Commissioner, reporting at the end of 1893, gave a gloomy
counties. account of the position of the heavy, and formerly most productive, wheat and bean
land in Warwickshire, and of the decay and abandonment of land and buildings in
these districts. Rents have fallen from 25 to 60 per cent. Other evidence puts a more
favourable light on the condition of other parts of Warwickshire. Staffordshire has
suffered less, rents having fallen from 10 to 20 per cent., but in Mr. Carrington-Smith's
opinion, the tenant farmer has borne most of the loss. On the other hand, landlords
have a smaller margin as the increase of stock and dairy farming demands outlay on
buildings. The spread of dairy work and stock feeding has mitigated the depression.
The milk, butter, and cheese districts in Cheshire, Derbyshire, and in the Melton
division of Leicestershire, have fairly weathered the times, though prices have fallen
heavily for cheese, and about 20 per cent. for milk. Professor Sheldon says of these
North Midland districts that 25 years ago farmers were making good profits, now they

are just paying their way. Here, as in all the dairy and stock-feeding counties, the low price of imported grain and feeding stuffs has helped some farmers, while it has been ruin to others. There is in these districts an active competition for all farms in fair condition, and no difficulty in letting land, at any rate for dairy farming.

53. In Yorkshire it took the porous, shallow soils of the wolds six years to recover from the "washing out" of their fertility in 1879. The depletion of capital thinned the stock and impoverished the land, but the main body of farmers managed to hold on, and the last three years have not been as unfavourable in Yorkshire as further south. But the enormous fall in the price of wool has crippled these sheep-breeding lands, meaning by itself a loss of 10s. an acre. The career of the heavy clay land in the Darlington and Cleveland districts was much the same as in other counties. A large proportion went out of cultivation before 1885, and much of it has fallen two-thirds in value, and where, as is not infrequent, re draining is necessary the clays cannot be let at all. On the mixed soil the depression has been only less marked. Where there has been "a fair proportion of old grass things have been helped by sheep breeding." Till the exceptional drop in the prices of sheep and lambs in 1891 and 1892, the pastoral farms in the Yorkshire dales did well. On the whole, though there have been heavy losses to all classes concerned with the land, the high standard of cultivation has been kept up, and grass land shows signs of liberal treatment, and there is a keen competition for farms in fair condition, and no farms are derelict.

Mr. S. Rowlandson, in the Darlington district, states that for some years he has "been hard set to make a balance, and has had heavy losses," and Mr. Christopher Middleton, near Middlesbrough, says, "profits have vanished," and that he cannot "understand how rents are kept so high. They must be paid out of capital. He would not like to say any farmer is making a profit beyond living." "Not half the farmers in the country have sufficient capital employed on their farms."

The evidence of Mr. Riley, Mr. Harrison, and others was generally to similar effect.

In the grazing districts near Skipton the position of farmers has been extremely precarious.

54. Lancashire farmers have hitherto held their own through periods of depression by their remarkable industry and thrift. But in the last few years it is clear that the heavy fall in prices, especially of stock, has swept away the whole or most of their margin, and there have been no sufficient reductions of rent to restore it.

"Most of the farmers are nearly ruined, and many are farming on borrowed capital." "Some large farmers state that, after feeding and clothing themselves and their families, and paying no wages to their sons and daughters, they have made nothing for the last year or two, and some have had to draw on capital." Some witnesses think there has been deterioration of farming and of the soil, but Mr. Fox thinks that in many cases the land is farmed even better than formerly.

The economic loss of the last few years has not fallen exclusively on the tenant, although remissions of rent have fallen far short of a fair proportion to depreciation of produce. On many estates a heavy outlay has been maintained to keep tenants going.

55. In Northumberland, agriculture seems to have been kept in a somewhat more stable position. Security of tenure, by long leases, concentrated the capital and enterprise of improving tenants on the land in the good times, and even in the bad times the heavy expenditure of landlords in improvements has helped to mitigate loss. But Mr. Scott, farming nearly 10,000 acres, and speaking from long experience, states that at present prices profits are unattainable.

"I happen to keep books, and last year I showed that I had made no money on all this land of mine, and paid no income tax at all." Farmers are poorer, and farming has deteriorated. More farmers would throw up their farms, but the poorer they get the more reluctant they are to lose their homes and realise their losses. And although rents have not fallen in any proportion to prices there is a keen competition for farms, mainly from those "who have not yet burned their fingers."

There is no doubt that the fall in prices of cattle and sheep, &c. in recent years has pinched agriculture most, and that the reason why things are not as bad as further south is that there is a considerable reserve force to draw upon in the thorough farming of the past. "The land has for many years been exceedingly well farmed, and hence is more able to bear economy of labour, manure, and feeding stuffs."

56. Cumberland, one of the few districts reported by the Richmond Commission to be in a prosperous condition, has suffered little, except from the contracted corn prices, and their inevitable effect on some of the heavy land. But cattle and sheep,

Parker,
10,400.
Sheldon.
Parker,
10,592.

Yorkshire
and Durham.

Pringle,
Yorkshire,
p. 9.

p. 11.

p. 12.

p. 15.

Rowlandson,
17,418.

17,420.

Middleton,
2386.

17,391.

2256.

2569, 2625.

2575.

2586.

Harrison, 1805.
Riley, 36,426,
36,567, 36,637.
Hutchinson,
43,730-53.
Broughton,
15,294.

Lancashire.

W. Smith,
M.P., 9347,
9935.

Mr. Wilkin-
son, quoted
by Wilson
Fox, Gar-
stang, p. 13.

Barlow,

14,277.

Kay, 14,129.

Wilson Fox,
Garstang,
p. 8.

Northum-
berland.

Wilson Fox,
"Glendale",
Report, p. 5.

Scott,
29,987.

30,017.

30,043.

30,114.

Wilkinson,
31,509,
31,431-3.

Wilson Fox,
Glendale,
p. 10.

Cumberland.

which have fallen least, have been the staple products, and the patient industry and economy of the northern farmers has kept things fairly straight.

Dorset,
Devon,
Cornwall.
Rew, Dorset.

57. Turning to the south-western and western counties, farming has had more channels to work through, and has not fared so badly.

Dorset, with nearly 300,000 acres of permanent pasture, and less than 200,000 of arable land, and of that only 89,000 in corn crops, and being more a breeding than a grazing county, has suffered chiefly from the fluctuations in the price of stock and the heavy fall in the price of wool. There has been an inevitable depression in the letting and selling value of land; tenants have lost capital, and here and there are examples of ruin and acute depression.

Rew, North
Devon, p. 12,
Harris, 3415.
4884.
Lopes,
17,017, &c.,
17,343.
Rew, p. 14.
Lopes,
17,038.

Devonshire, whose position was favourable at the time of the Richmond Commission, has not generally sunk beyond the stage of 10 to 20 per cent. remission of rent. "In many cases there has been no reduction of rent at all." The economic loss so far, of the fall of prices, has been left on the shoulders of the tenants. The drought of 1893 coming on top of the bad prices of previous years for stock and everything else, has undoubtedly reduced many farmers to financial straits. Farms are less well kept up, in the opinion of some witnesses, but the management of stock has improved, and the use of manures and feeding stuffs greatly increased. There is also an increase in the number of live stock.

D. Collins,
37,162, &c.,
37,415.
R. S. Olver,
37,479.
37,208.

Cornwall is, on the whole, even better off than Devonshire. This is partly because so little corn is grown, and stock farming is the main feature, partly because when the farming is arable the rotation has some time ago been lengthened by laying down grasses, and by a full use of labour-saving machinery.

Hereford-
shire.
Rankin,
5536, 5558,
5675, 5768,
&c.

58. In Herefordshire and Worcestershire there is no serious depression more than the economic narrowing of the margin between outgoings and incomings for owner and tenant. Good stock and fruit growing have lessened the difficulties of agriculture, Nor does distress appear to be extensive in Shropshire.

Kent.
Fream,
Maidstone.

59. In Kent, part of which has been reported upon by Dr. Fream, hops and fruit have tided many men over, and made some prosperous. But where there are no hops or fruit, rents are in some cases down to a nominal figure, and much land is passing out of cultivation, as in Hampshire and Essex.

WALES.

Wales.

W. Davies, 59,912.
Dutfield, 58,802.
T. Jones, 58,050.
O. Williams,
57,666.
Hughes, 50,505,
&c.
O. Price, 59,564.
T. Jones, 58,037.
Drummond,
60,244.
R. Stratton,
34,327.

60. The evidence from Wales shows that, while Wales generally escaped the earlier stages of the depression in which many parts of arable districts in England suffered so severely from the effects of bad seasons, the course of events in the later stages has been much the same as in England. Arable districts, such as parts of Denbighshire, Flintshire, Glamorganshire, Cardiganshire, Carmarthenshire, and Monmouthshire, have suffered severely, and there have been many changes of tenancy. The larger farmers seem everywhere to have suffered most, though this largely is a question of adequate capital.

Mr. R. Stratton, who farms over 3,000 acres in Monmouthshire, says that for the last 10 or 15 years he has just made a living, without interest on his capital.

"Farmers are just living from hand to mouth."

Fisher, 58,504.
Thos. Jones,
57,926, 58,080.
58,213.

Mr. Jones, Merioneth, says, "Taking the last 10 years, there is not a penny of profit, and I am doing my best."

Hughes, 50,323,
50,358.
J. Roberts,
55,822, 55,910.
G. J. Roberts,
59,831, &c.
O. Williams,
57,670.
Hughes,
50,332, &c.
Pennant, 57,228.

Depression seems to have reached the upland and grazing districts about 1884.

The heavy fall of prices of all the staple produce of Wales, especially the drop of fully 50 per cent. in wool, and the exceptional depreciation of all stock in the disastrous seasons of 1892 and 1893, have inflicted severe losses everywhere through the hill and grazing districts, which had, before 1884, been moderately prosperous. The fall in dairy produce has also hit many districts.

Pennant.
Roberts.
Hughes,
50,362.
50,363.
O. Williams,
57,662, &c.
Fisher,
58,558.
Dutfield,
58,669.
58,802.

The position of farmers in many districts is described as serious, and involving great hardship and uncertainty. The small occupying owners have largely lost their capital, and are in some districts anxious to sell their land. The capital of tenant farmers has been heavily reduced where it has not been completely swept away.

Mr. Fisher states that farmers can only meet the increased cost of production and fall in prices by cutting down the chances of their children.

"The great majority of farmers are gradually getting poorer."

There are essential points to be borne in mind in estimating the position of agriculture in Wales, and the real effects of the depression in the Welsh counties.

In the first place, there has been a relatively exceptional rise in the price of labour. It is perfectly true, as pointed out by several witnesses, that many of the small "mixed" and dairy farms of Wales have good markets in neighbouring large towns and collieries. But this very advantage has raised wages more rapidly than in most rural districts in England. Thus the cost of production has been rapidly rising, while prices have been steadily falling.

Blandy
Jenkins,
55,838.

In the second place, in no part of Great Britain have landlords left the main, and, in some cases, practically the whole, burden of loss on the tenants so obviously and completely as in Wales. The insufficient reduction of rent is the universal complaint made, and, in our opinion, proved by the tenant farmers whom we have examined. Further, Colonel Hughes, the agent of the Wynnstay estate, admitted that rents were not reduced in proportion to prices, and that a serious economic injustice had been done by the raising of many rents in good times.

Hughes,
55,649, &c.
55,774.
55,634.
50,488.

"The tenants have to live so hard to make up a sum of money. I think there is a great deal one has to do in adjusting rents, because they are very unfair in many places compared with others."

Mr. T. Roberts complained that while wool and sheep had fallen one-half, and other produce 35 per cent., farmers only received abatements of 10 to 15 per cent.

55,910.

Hill farms had actually risen in rent in spite of the fall in prices.

B. Jenkins,
56,994.

Mr. Williams, in the Vale of Clwyd, said that the real causes of the depression were high rents and low prices with increased cost of labour. Abatements were only 10 to 15 per cent., with rare exceptions.

57,705.

Mr. Jones said reductions were small, or none at all, except for vacated farms, or on a few generously managed estates.

J. Jones,
58,080.

From Merioneth we hear that farmers are kept in suspense till rent day, and then perhaps get 10 or 15 per cent.

Thos. Jones,
58,056.

Mr. Davies (Denbighshire) says that, although wheat sold for half what it did when he took his farm, and other produce had fallen heavily, rents were not materially reduced. Cultivation was necessarily deteriorated.

See Fisher,
58,379.

Mr. O. Price (Brecon) says the larger landlords have given 10 to 25 per cent.

58,866.
55,675.
58,912.

Mr. Drummond, agent to Lord Cawdor, admits that rents are partly paid out of capital, and in some cases from children's wages.

60,394.
60,398.

61. In conclusion, I feel it to be my duty to state, as regards Wales, and after considering the Report of the Welsh Land Commission, as well as the evidence laid before our own Commission by Welsh witnesses on the subject of agricultural depression, its causes and its possible remedies, that I am of opinion that the economic position of agriculturists in Wales deserves the immediate attention of Parliament, and that, so far as our own evidence covers the ground, I concur in the conclusions and the recommendations made on these subjects by the Welsh Land Commission.

Conclusions.

SCOTLAND.

62. In estimating the character of agricultural depression in Scotland, it must be borne in mind that the 19 years' lease has been practically universal. These leases have led to high and thorough cultivation, the results of which have enabled the soil and the occupier to hold out better. On the other hand, in times of rapidly falling prices, rents fixed years before, under different circumstances, become an intolerable burden, and lead to the impoverishment and ruin of tenants, if the letter of the agreement is insisted on.

Again, the security of a long lease has raised rents and increased competition, so that relatively Scotch rents have been and are somewhat higher than English rents generally.

Further, the standard of wages has been rising more rapidly in Scotland than in England, except in the most northern counties of England.

Thus the facts that Scotland escaped one or two of the bad seasons which have most severely crippled the east and south of England, and that Scotch farmers have had, in their thoroughly cultivated farms, a better weapon with which to battle against hard times, are counterbalanced by excessive renting of the great majority of farms, and by a relatively greater increase of the cost of production.

Hope, Perth,
&c., p. 9.

The rise in the labour item would, have been greater but for the more rapid adoption of changes of rotation and cultivation, and especially in the extensive development of the temporary pasture system which has slightly lessened the numbers of men and horses employed. Expenses under the head of labour have also been somewhat kept down by the increasing use of machinery.

The arable districts of Scotland.

p. 7.

Roxburgh, &c., p. 21.

63. Mr. Hope, in his two reports, covers the whole of the eastern counties, or the mainly arable districts of Scotland. The general result of his inquiries was that depression has been present in all the districts in varying degrees, and that at no time had the difficulties been greater, and the struggle more keen to meet them than in the last few years.

"In the case of old leases, many proprietors granted abatements of rent; but in some cases proprietors were slow or unwilling to recognise the fight which their tenants were having against adverse times, and held them firmly to their obligations, and exacted the rents contracted for without any allowance for the great alteration in the position of things." In other cases tenants were saved from bankruptcy by timely deductions and by allowances for manures, &c.

Perth, &c., p. 7.

p. 8.

Protection being out of the question, and unsound in argument, Mr. Hope holds that "the real solution of the difficulty created by low prices is to be found in the reasonable reduction of rent." "The question of rent lies at the root of the whole matter, and is the main factor which ultimately determines the margin of profit."

The whole of the Scotch evidence turns on these economic issues, and the main purport of suggestions of the Scotch witnesses is to protect the tenant in the enjoyment of the profit his outlay and skill enables him to gain.

Roxburgh, &c., p. 17.

The fall in rents has varied greatly. In the south of Scotland, Mr. Hope mentions estates where the rental has fallen from 6,949*l.* in 1882 to 4,806*l.* in 1893, from 3,290*l.* in 1882 to 2,693*l.* in 1893, and from 2,256*l.* to 1,415*l.* But on estates in the north the fall has been trifling. An instance quoted gives a drop from 37,877*l.* to 35,584*l.*

p. 23.

"Some farmers who kept accounts plainly said that these accounts showed such a bad result that they were indisposed to produce them, and many others gave the general answer that each year had shown a loss."

The Lothians.

do.

64. Farm accounts obtained by Mr. Hope show serious losses. Thus on a farm in the Lothians, 400 acres, while an average profit of 677*l.* had been earned up to 1882, for the next 10 years the average was only 121*l.*, and in 1893 there was a loss of 174*l.*, although rent had been reduced 25 per cent.; on a Berwickshire farm, 400 acres, there was a net loss of 373*l.* on 10 years; on five other farms in the Lothians, Roxburgh, and the north, a loss of capital; while there was about 3 per cent. interest on capital earned in one case, and "a fair profit over a 23 years' lease" in another.

p. 25.

The loss of capital by farmers is further shown by numerous instances in which their stock is really owned by auctioneers and dealers.

p. 28.

Taking them all over, rents have fallen 25 to 30 per cent., but the fall is insufficient.

"On a Roxburghshire farm of 541 acres, the tenant says "the farm left double the profit in 1877 at a rent of 1,865*l.* that it does now at 1,000*l.*"

"The farmers consider that the proper adjustment of the rent lies at the root of the present agricultural question."

Hope, 12,223, &c.

The heavy loss from low price of potatoes is illustrated by Mr. Hope's own evidence. With potatoes at 30*s.* a ton, and rent at 4*l.* 10*s.* per acre, Mr. Hope says he was losing in 1894 about 10*l.* an acre.

Riddell, see pars. 99, 218.
54,691.

In the Lothians, Mr. Riddell, whose highly worked farm kept up its value while other similar farms fell from 30 to 40 per cent. in annual value, stated that there had been a great number of farmers who became bankrupt, and have retired during the depression.

54,352.
54,360.

Mr. Smith, Longniddry, East Lothian, said that the land of medium or inferior quality was being half-starved and insufficiently farmed. The fall of 20 to 40 per cent. in rents did not meet the fall of prices and greater cost of production.

53,275.
53,196.

Mr. Dun, from the Galashiels district, states that where there have been fair reductions men with ample capital have held on fairly, but the high rents under old leases have ruined many and reduced capital. "Lower rents are the first remedy."

55,374.

Mr. Gibb, Berwickshire, says that losses have come year by year now on crops, now on stock. The capital of farmers has been much reduced.

52,453.
52,547.
52,987, &c.

Mr. Elliott thinks that with rents only down 20 to 40 per cent. it is impossible to make money, and tenants are losing capital.

Mr. Rutherford, speaking of Roxburghshire, thinks the land is being deteriorated and farms run out owing to depression of prices and insecurity of tenants' capital.

Perth, Forfar, Fife.

65. In Perthshire, Mr. Ferguson, a large farmer of experience states that few farms are paying their way.

The highest rented of the three farms he holds is the only one of the three that makes money, and that only because everything is sold off at Perth, which is near, and manure cheap and easy to bring back.

The new men who come in and take farms at the old rents are not making a profit, but "are living on hope." "I shall be very glad if I get out without loss, without counting any interest on my capital." The increases in the wages of labourers makes the poorer land less remunerative even at lower rents. 22,881. 22,837.

The reductions of rent represent nothing like the reduction in prices of produce.

"If I had not made some money in the good times, I could not have stood the bad." 28,232.

"Not one farmer that I know is making his present rent."

"The men who have very little capital are in a very bad way indeed." "Those who have let their farms down, have got deeper in the water, and cannot get out." 22,933.

In Forfarshire, though rents are reduced about 22½ per cent. on Lord Strathmore's estate, his agent states that the tenants may be "making two ends meet, but are not making money; they have a fair comfortable living, but not more than that. The farmers are getting their living for their labour; and probably some of them with 10,000*l.* invested are getting very little interest, whereas in former days they got a good profit." 25,037. 25,039.

In the important arable and stock-farming districts of Fife, large numbers of farmers have succumbed, after their capital was almost exhausted. Many farmers were submitting to severe losses from year to year in the hope of better times. Flockhart, 52,726.

Mr. Fyshe says farms were too dear, and there have been many changes of tenancy through farmers failing. Farmers were losing money now, because prices had fallen more than rents. 54,082. 54,104.

Mr. Ballingall "could not say that, even with present reductions, farmers were holding their own. His own farm of 1,200 acres, with rent reduced from 2,400*l.* to 1,500*l.*, has not been paying interest on capital. Farmers had at first thought depression was chiefly a matter of bad seasons, but then it became chronic, and they found their capital rapidly slipping out of their hands. Rents must ultimately fall to what can be taken out of the land." 54,167. 54,130. 54,133.

66. In the arable districts of the northern counties, the farmers of the highly cultivated and fertile county of Elgin are just able to make a living at the reduced rents, and in many places are losing capital, while the advantages to their children have had to be greatly curtailed. Fair reductions have been made only in the case of one tenant out of four or five. The large reductions have been confined to new tenants, and many old tenants are still paying the higher rents. Northern counties. Black, 51,662. 51,671. 51,750.

A statement of what fair rents should be was drawn up by the Morayshire Farmers' Club in 1882, on a basis arrived at by extending the principle of the fiars prices. The average reduction of 33 per cent. on rent then demanded had been more than justified. 51,558.

Mr. Stuart, from Banffshire, stated that the larger farms had changed tenants three or four times within 19 years. Reductions were made to the new tenants which had been refused to the old tenants. The average reduction to the new tenants on 14 of these farms after the old tenants left was 30 per cent. Six of the old tenants of these 14 farms had gone bankrupt. Tenant farmers had lost much capital and can no longer make the improvements they did before, as they have no margin of profit, and no security. Mr. Stuart himself has been losing money for several years on his farm, and has only received an abatement of 5 per cent. The value of his own permanent improvements was completely covered by the rent. Land which had been reclaimed was reverting, and about 9,000 acres in Banff have sunk back to their natural condition. 51,857. 51,860. 52,151. 51,921, &c.

The position on liberally managed estates, like those of the Duke of Richmond and the Earl of Aberdeen, is obviously more prosperous.

The Duke of Richmond says that, except higher prices, there is no other way in which a tenant can be helped to meet these times than to lower his rent:—

"I have reduced the rent, and therefore I have given practical reason for thinking that if things remain as they are at present, a reduction of rent is necessary. If prices fall, I certainly shall not be able to put them back to the old rent before the remission." "A landlord ought to be beforehand to make remissions, and not to wait until he is asked to do so." 22,710, &c.

If a liberal policy of this nature had been universal, much of the severity of the depression in Scotland would have been mitigated, a very large number of tenants, who have been crushed out between high rents and low prices, would have been saved, and much of the economic loss to both landlords and tenants would have been prevented.

67. Mr. Speir, in his report on the south-western counties of Scotland, which are mainly given up to dairying, stock farming, and also have arable districts, makes The south-western grazing and

dairy
counties.

it clear, that, although there has been no wholesale collapse of agriculture, and there is undoubtedly a keen competition for farms, the depression has made itself keenly felt everywhere.

Speir, Ayr-
shire, &c.,
p. 6.

"Bankers," he reports, "had no hesitation in saying that farmers were going steadily backward."

All through the inland districts of Ayr, Wigtown, Kirkcudbright, and Dumfries, evidence was continually cropping up to show that tenants' capital was gradually being lessened.

Rents here, as everywhere in Scotland, had played a principal part in increasing difficulties.

p. 5.

"The majority thought that if only rents were made proportionate to the value of farm produce, and the cost of growing it, there was no reason why farmers might not yet do very well. Nearly everybody was, however, of opinion that few farmers even yet seemed to realise that present prices were not likely to alter much for a considerable time, or to base their calculations on present values." "Next to low prices the most potent cause was generally considered to be the unwarrantable competition which exists among farmers themselves."

p. 7.

"Even in the best of times, farmers' profits are never great, and when low prices set in, it is rare that anything remains after expenses are paid." Mr. Speir adds: "The balance sheets in the Appendix show that, notwithstanding the capital invested, the remuneration of the average farmers of moderate means is no greater than that of a first-class artisan."

p. 8.

Some of the most painful evidence from Scotland is given in the figures as to changes of tenancy in Mr. Speir's report. He obtained returns of the changes on about 200 farms, comprising about 100,000 acres in Ayrshire. "During the past 14 years" there have been 38 changes in the arable and dairy, and 14 changes in the sheep-grazing farms.

p. 8.

"The rents of all North Ayrshire are very high, the farms are comparatively small, and the farmers frugal and industrious, yet their lot is anything but an easy one. Many are complaining now who previously said little, preferring to work away rather than be turned out in their old age. Hard as the farmers work themselves, their wives and families do often more, and in many cases two of them perform the work of three hired servants for little over half the remuneration."

From Wigtownshire, out of 457 farms in the Rhins district there have been 83 changes, and on 25 of these changes of tenancy the farmers who left were bankrupt, or left without means. In the Machars district, out of 607 farms there have been 245 changes, and, from his examination of several parishes, it appears that about "every third change means a tenant leaving his farm without means."

p. 9.

In certain districts of Dumfriesshire, of 245 farms, during 15 years past, 131 farms have changed hands, several of the farms having had two or three tenants successively. "About 31 per cent. of the farmers who removed are said to have done so on account of rent, and 26 per cent. of them are said to have been bankrupt when they left."

Such a record speaks for itself, and is a convincing proof that the havoc worked by the depression among an industrious and specially skilled tenantry, such as is usually found in most districts of Scotland, has necessarily been largely due to the faulty system of tenure and the impracticability of re-adjusting the item of rent in time to prevent disaster.

Conclusions.

68. In the immediately succeeding chapter, an attempt is made to draw lessons from evidence laid before the Commission as to the more profitable types of farming, and the success of individual farmers, and thus to bring out more clearly the lines of readjustment.

But it is impossible to conclude this concise summary of the agricultural situation in various parts of Great Britain, during the period of our inquiry, without indicating at once that the situation in many districts is extremely grave, that readjustments are, in general, so slow and inadequate that, whatever may be the ultimate outlook for agriculture, the position of the existing farmers in the depressed areas is extremely precarious, and deserves the prompt and careful attention of Parliament.

It would seem, therefore, a plain duty to probe the causes of depression to the utmost, and to initiate in any direction which may prove practicable, such legislative and administrative changes as will quicken the transition to a better state of equilibrium, and promptly check, so far as may be, the operation of the forces which have been pulling down agricultural enterprise. If this can be done so as to save from ruin the largest possible number of those upon whom the full force of the economic loss of the last 20 years has fallen, every effort should be made to attain this result.

CHAPTER III.

EVIDENCE OF SUCCESSFUL FARMING DURING THE DEPRESSION, AND OF PROFITABLE READJUSTMENTS OF FARMING METHODS.

69. The evidence and the reports of Assistant Commissioners give many instances of successful farming during the period of depression in all parts of the country, even in those counties where depression has been most acute, and on the old lines of farming. From every county there are striking illustrations of what results may be obtained by more economic methods and by changes of cultivation suited to the times.

Nature of evidence.

This class of evidence deserves careful consideration. The signs of distress and the course of decline are more obvious and may be more easily and fully traced. The indications of recovery or reconstruction are harder to define whether as to time or as to method.

It is important to determine as far as possible whether such instances of relative success are individual, whether they are due wholly to special local advantages or circumstances, whether they merely indicate a stage of endurance or resistance, which really means that resources got together in better times are being drawn upon, or whether there is any true economic readjustment from which continued success is to be anticipated. And, lastly, it is of the utmost importance to ascertain the conditions, the presence or absence of which is found to accompany such cases of doing well in bad times. A selection of instances from the evidence is appended.

70. Taking first cases of farming on existing lines and in the most depressed districts, Essex itself furnishes several striking instances.

Success in most depressed districts.

Thus :—A mixed soil farm, of 950 acres, some of it stiff land, and two-thirds of it arable, excellently managed by an exceptionally good farmer and judge of stock, with a capital of nearly 13,000*l.*, brought an average annual profit between 1879 and 1893 of close on 400*l.* a year, or over 3 per cent. on capital. Profits began with the starting of dairy work, and, since the rent was reduced from 25*s.* to 16*s.*, has averaged for the last six years 6 per cent. on capital. These results have been obtained by mixed farming, without any material alteration of cultivation, by the sale of corn as well as milk, and live stock, and with the liberal expenditure of 2*l.* an acre on labour, and 3*l.* 5*s.* 8*d.* on feeding stuffs and manures.

Pringle, Essex, App. C. I.

See also 8863, &c.

8879, &c.

An instance like this shows what may be accomplished on land which has not been allowed to get out of order, by energy and capacity with adequate capital, and sufficiently reduced rents.

8889, &c.

Again, in Huntingdonshire, on stiff clay, a farm of 462 acres, two-thirds arable, has been farmed since 1880 with an average profit of nearly 5 per cent. on a capital of 4,000*l.*, or 8*s.* 5*d.* per acre a year, without any material change of cultivation, but with a reduction of rent from 400*l.* to 262*l.* The proceeds have been from corn and stock in nearly equal proportions.

Pringle: Beds, Hunts, and Northants. App. C. VII.

A Northamptonshire farm of 324 acres, chiefly strong land, has made in the past seven years an average profit of about 6 per cent. on capital, even allowing for the bad seasons of 1892 and 1893, when profits did not exceed 1½ per cent.

App. C. X.

71. In the county of Berks, where the depreciation of land has been exceptionally great, Lord Wantage, in 1893, gave as the result of farming 4,427 acres, a fourth part of his Berkshire estates, an average net profit of 800*l.* to 1,000*l.* a year, after paying 5 per cent. interest on his very large outlay of capital in buildings, roads, and other improvements, and a rent reduced in the same proportion as to his tenants, about 40 per cent. This success in working a large area on one uniform system, with vigilant economy, but with a full expenditure, leads Lord Wantage to recommend farming on a large scale by syndicates.*

Farming large areas. Lord Wantage, 4,375–88.

4,484.

This view gets some support from what Mr. Clare Sewell Read says of the success, in Norfolk, of a few men of large capital, and business capacity, who have hired vast tracts of land, and worked them thoroughly well with a large head of stock. One of them, who had taken seven farms, thus puts the economy of his attempt to readjust agriculture: "If there were seven farmers on these seven farms, they would all want to make a living; it is a hard thing if I cannot make one living out of seven farms."

16,050–70.

16,051.

72. Again, in Essex, an estate of 3,555 acres, in five farms, worked under one management with a capital of 10*l.* an acre, has over the whole, good and bad soils

Good and bad together.

* In a letter to Mr. Shaw, Lefevre, November 15, 1895, Lord Wantage writes that the land in hand has increased to 10,076 acres, and that on the Down lands, comprising nearly 6,000 acres, the adverse seasons of 1894–5 operated most prejudicially.

Pringle,
Essex.
App. C. X.,
p. 75.

together, earned a net annual profit of over 7 per cent., besides paying what in these days is a full rent. Two of these farms are of good mixed soil, with one third old grass, and carry dairy cows. These farms pay in rents and rates about 25s. a year, and earn a profit of over 10 per cent. The remainder are heavy clays without much grass. Yet even these pay in rent and rates over 16s. an acre and still make a profit of over 1 per cent. on capital.

13,808.

Mr. Strutt, as agent for his brother, Lord Rayleigh, farming about 4,000 acres in hand, has found that, with the exception of 1893, when there was a loss, the seven years gave a return of about 6 per cent. on a capital of 8l. an acre, after paying himself a rent of about 18s. an acre, including tithe 4s., or a net rent of 14s. an acre. This result has been obtained by dairying for the London market.

C. Dewar,
31,668, &c.
31,784-7.

Mr. Dewar, in North-west Norfolk, makes mixed farming pay "with two or three strings to his bow," such as poultry, which "has paid better than any other branch of stock this last year or two." He has not altered the method of cultivation, as the land is not suited for permanent pasture, but saves by machinery, and sells off straw.

Turner,
Stratford-on-Avon,
p. 9.

Mr. Jabez Turner instances a farm in the heavy clay district of Stratford-on-Avon, where potato-growing, combined with bullock fattening, succeeds well. The tenant has capital, farms high, and sells or consumes at discretion.

A. Spencer,
Herts, p. 14.
Spencer,
p. 40.

Scotch farmers are doing well in Hertfordshire, near the railways, by a seven-course system, including two years of potatoes, somewhat on the Lothian system. They work hard, and manure from London helps. They even pay increased rents.

In Lincoln-
shire.

73. In the Sleaford union of Lincolnshire a holding of 790 acres, one-fourth pasture, farmed on the four course, in excellent order, and in good hands, has made an average of nearly 3 per cent. on capital between 1889 and 1894.

Wilson Fox,
Lincolnshire,
App. A. I. F.
14,329-45.
14,426-7.

Another four-course, turnip and barley farm in the Grantham Union, in the owner's hands has made for same period about 1½ per cent. on capital.

Mr. E. Turnor, who owns 21,000 acres in Lincolnshire, has made off an excellent barley farm, now in hand, an interest of 3½ per cent. on capital, besides the same rent as the old tenant—16s. an acre. Four other farms, heavy land, taken in hand in bad condition, have paid 3½ per cent. interest, but scarcely any rent.

Norfolk.
34,777.
Rew, Nor-
folk, p. 25,
and App.
E. 1.

74. An arable four-course farm in North-east Norfolk of 425 acres, half of it good mixed soil, half light land, uniformly worked and well kept up, shows on 14 years an average net return of 246l., or over 7 per cent. on capital, but taking the last six years, from 1887 to 1893, there is an average net profit of 391l., or over 11 per cent. on capital. There are no restrictions; and apparently only a very moderate reduction in rent.

Rew, Nor-
folk, App.
E. 4.

Another farm, two-thirds arable, in Mid Norfolk, has yielded for seven years about 3 per cent. on capital.

A farm in South-west Norfolk described as a "fair average," two-thirds arable, gives 3½ to 4 per cent. on capital.

Mr. Johnson, of Ixworth, says that on mixed soils, adapted for stock and vegetables, some Suffolk farmers make ends meet at reduced rents.

High farm-
ing.
36,510-16.

75. Mr. Riley gives in the Wolds of Yorkshire striking instances of very high farming, command of capital, and keeping up of first-class stock, enabling energetic and capable men, by the splendid condition of their land, to get through bad years. They will succeed unless over-rented.

36,514.
W. Fox,
Glendale,
p. 10.

Similarly in Northumberland, Mr. Wilson Fox infers, from the information supplied him, that the comparative prosperity of farmers was due to the fact that "the majority of them are farming on a large scale, and have had capital; that the land has for many years been exceedingly well farmed, and hence is more able to bear economies practised in labour, manure, and feeding-stuffs; and that, when the depression just began to show itself, liberal permanent reductions were made in rents." And it is important to note that the high condition of the land in many districts of this county is directly attributed to the encouragement given to continuous good farming by long and favourable leases.

Lancashire.
instances.
Wilson Fox,
Garstang,
Appendix.

76. Mr. Wilson Fox in North Lancashire gives striking instances of farming success:—

Thus on a farm of 245 acres in the Fylde, three-fourths arable, rented at 28s. an acre, an energetic farmer, who keeps accounts, estimates his expenditure beforehand under every head, and has spent in labour nearly twice, and in manures and cake nearly three times, his rent, has made a net profit of 12s. an acre, after paying himself 5 per cent. interest on his capital—about 12l. an acre. And all this on the four-course system.

Another thrifty, hardworking man, who has been farming 30 years, has done all the drainage and roads and other permanent improvements, lived hard and farmed high, and has taken a prize in North Lancashire for the best managed farm of mixed husbandry, has made farming pay well every year, and has made an independence out of nothing. Wilson Fox, Garstang, p. 60.

What can be done by such men is shown in his statement. He bought, in 1892, a water-logged and wrecked farm of 120 acres for 2,640*l.*, sold it at once for 200*l.* more, and took it on lease at 14*s.* an acre. He has already expended 1,200*l.* in improvements, has grown a heavy crop of potatoes, and expects to recoup his outlay in two years. He says emphatically, "High farming pays. What we have to do is to produce." W. Fox, 11,436.

Again, a small farmer with 63 acres, which he and his father have worked for 36 years, says, "Throughout all this agricultural depression I have farmed on lines which have proved successful." He, too, favours high farming. "It is far better to have a small farm and farm it really well, than a big one and to farm it indifferently." He attributes his success to prompt laying down to grass where he found crops did not pay the cost of production. 11,440.

But it is plain that this man and a large proportion of the Lancashire farmers have been holding their own partly because their children work on the farms without wages, and so effect a considerable economy in labour.

77. The comparative immunity from the worst features of depression noted in North Yorkshire is largely attributed by Mr. Pringle to scientific stock farming and to the economy as regards food, manure and labour, effected by covered yards, concentrated buildings, and manure tanks. The southern farmer, "with his cold, wet, wasteful, open yards, cannot compete with" this practical and effective equipment of stock farming in the north. Corn is now wholly subordinated to stock, much of the barley and wheat being "fed," and oats largely supplanting wheat. The steam plough for heavy land is disused. The old proportion, before 1879, of one-third in grass is being rapidly expanded by temporary pastures and laying down of the strong clays. Stock farming in the North. Pringle, Durham and Yorkshire, p. 22.

78. Sir Gabriel Goldney seems to have had a fair balance of profit in working a dairy farm absolutely on self-supporting lines, all feeding stuffs and manure being made on the farm. The yards and buildings are concentrated, and large manure tanks enable the land to be irrigated like water meadows. The farm carries nearly three times as many cows as it did before these methods were adopted, and has paid a high rent. Self-supporting farming. 15,804-21.

Mr. Pringle's experience in the South Midlands is that farmers, with fair turnip and barley land with useful grass, "have escaped tolerably well." Where breeding of sheep or cattle has been made a feature, and the heavier land is laid down, and the rotation on mixed soils has been lengthened, agriculture has become more self-supporting and independent of the dangers of fluctuation of prices. Pringle, Bedfordshire, p. 36.

Mr. Pringle is probably correct in reporting that besides the graziers and dairymen, the only farmers who have weathered the storm and kept up a show of prosperity, are those who could draw on private means, or had some other paying business in addition to farming, or occupied land near towns and sell vegetables, hay and straw, and who have not put everything into corn growing. But the first two of these classes cannot be said to be making farming pay.

Mr. Ferguson's farm near Perth, where he gets good profits though paying 50*s.* an acre, because he can sell everything off and "drive back manure," and Mr. Mercer who can pay a rent of over 40*s.* close to Liverpool, growing wheat, oats, and potatoes and hay, and selling everything off, are good illustrations of the effect of nearness to a large town. 27,406, 27,389, &c.

Mr. Worthington, near Wigan, makes a profit by high farming, special scientific feeding of cattle, and the sale of milk. He has absolute freedom as to cultivation and sale of produce.

79. Some men of exceptional enterprise and intelligence and of large capital have made farming pay even in the worst times on special lines. Special experiments.

Thus Mr. Prout's well-known experiment in continuous corn growing, with large applications of artificial manures, though much less profitable, is found by Mr. Spencer to still yield some profit. A. Spencer, Aylesbury and Herts, p. 11.

Two farms in owners' hands in Hunts worked on much Mr. Prout's plan, and kept in garden-like order, seem to pay their way after a fashion, in spite of distance from railway, which strikes off some profit from straw and hay selling. In these cases it Pringle, Hunts, p. 42.

Harrison,
1439-51.

is clear that success has largely been due to an absolute free hand as regards cultivation, ample capital, and considerable knowledge and skill.

Breeders of
pedigree
stock, &c.

Treadwell,
39,721.

Pears,
36,241-6.

80. Again, farmers in many counties who have acquired a reputation for special types of stock pedigree cattle, or sheep, or on horse breeding have had advantages which no fall in prices could quite take away. They have been the recognised purveyors of the best articles of their kind. And in bad times, the tendency of the more capable farmer is to save himself by keeping the best quality of everything whether in stock or seeds. The greatest fall in values has invariably been with the inferior grades of stock and of produce.

Market
gardening
and fruit
growing.
Reynolds,
41,472, &c.

Woodward,
44,370-8.

Woodward,
44,353-7.
Reynolds,
41,500.

Woodward,
44,271-5.

81. Where the soil and other circumstances are suitable, market gardening and fruit growing has been found highly profitable, and has greatly raised both the capital and the letting value of land. In the Vale of Evesham and surrounding district, land of the best quality for fruit growing has sold at 300*l.* an acre, and lets at from 3*l.* to 14*l.*, and in some cases up to 18*l.* an acre. The value of the tenant right of well-established market gardens in this district has ranged from 30*l.* to 100*l.* an acre, and it is said, sometimes, to even higher rates. Naturally, when farms fall vacant they are at once turned into market gardens, and there has been a rapid and very wide extension. The highest rents and profits depend on special quality, such as the "black soil," which grows exceptional plums. Market gardeners can pay from 12*l.* to 20*l.* an acre for the preliminary clearing of the land before planting; wait for maturing of trees and plants; spend "quite 30*l.* per acre per annum in rates, "manure, and labour," besides the high rents, and yet make a considerable profit. The profit would be still greater but for the arbitrary imposition of railway charges.

On the easily-worked and productive "warp" lands in the north of the Isle of Axholme, near the Humber, men of capital and energy, who have in the last few years taken, as tenants at fair rents, a number of small farms together, are making excellent profit by substituting celery and asparagus for wheat and potatoes.

POULTRY FARMING.

Poultry
farming.

E. Brown,
62,191.

Rew,
Heathfield,
p. 8.

Rew,
Heathfield,
p. 6.

Rew,
Heathfield,
p. 10.

Rew,
Heathfield,
Appendix
VII.

E. Brown,
62,271.

E. Brown,
62,284.

82. Mr. Rew's interesting report of the poultry industry in Sussex shows that its special success depends not on local advantages, but on organisation and skill, which could be applied with similar results in other districts. Poultry farming as a specialty is generally a failure, but as an adjunct to other farming pays. Cows, chickens, and oats go together. Fowls' manure as a dressing rapidly ripens laid down grass, and skim milk and oats are used in large quantities both in rearing and fattening poultry. Owing to the great demand for young fowls for fattening, rearers get full prices, and, latterly, large quantities are brought from Ireland. The fatteners collect from a large area, fowls being reared in great numbers by farmers and labourers. The marketing is thoroughly organised, carriers collecting throughout the district, and delivering in London at 1*s.* a dozen, and about 1*s.* 6*d.* a dozen charged as commission by the salesmen. The profits are considerable, and the system especially tends to help intelligent labourers to rise. The expenditure and receipts are relatively very high. Thus, from the accounts of poultry rearing and fattening only on a 200-acre farm, for 1891, as are supplied by Mr. Rew, the outgoings for 12 months were 1,749*l.* 1*s.* 9*d.*, and the receipts 2,058*l.* 19*s.* 1*d.*; and in addition to paying 5 per cent. on the capital invested in poultry, the net returns gave the farmer a profit more than double this interest, and paid the rent of the whole farm besides. The cheapness of corn and other feeding stuffs has been a help, and rents do not seem to have been raised unduly. On the other hand, the great increase in the imports of Russian chickens and railway rates, both on young chickens and on consignments, have been drawbacks.

Successful poultry and egg trade is also carried on from South Lincolnshire and Cumberland.

62,213.

62,194.

62,177.

62,200.

62,248.

62,288-91.

In the Aylesbury district the ducks are collected by the London and North Western Railway Company's carts and forwarded in bulk to London at 1*d.* a bird. A similar arrangement has been made by a successful duck farmer near Fleetwood who makes a good profit by sending to Manchester.

The want of organisation deprives the English farmer of the egg market, where there is an enormous unsupplied demand, and this although English eggs fetch 10*s.* to 11*s.* per "long" hundred as compared with 8*s.* for French, down to 53*s.* 8*d.* for Russian. Now, more than half the eggs sold are foreign. In spite of the importations having more than doubled in the last 12 years, prices have materially improved. Organisation of collection and delivery, and the provision of winter eggs would make

great profits. The demand for high class poultry is increasing and would grow with the supply ; for "well fattened" poultry we are only at the beginning of the demand in many parts of the country. 62,292.

DAIRY FARMING.

83. Dairy farming has generally, but by no means universally, brought moderate but steady profits during the years of depression ; but it is essentially a localised branch of farming. In several counties where distress has prevailed, notably in Norfolk, there is too little pasture owing to the lightness of the soil for dairy work, and no sensible relief to agriculturists from this source. Similarly Suffolk is badly supplied with good pasture, and much of the soil appears unsuitable. But it is shown from Arthur Young that 100 years ago Suffolk was famed for its dairies, and was then "essentially a dairy county." "One very great object of their ploughing," says Arthur Young, "is the culture of turnips and cabbages for their cows." Milk selling is spreading steadily, especially where Scotch immigrant farmers have settled, and on the whole successfully. Dairy farming.

84. In Essex the extension of dairy farming has been more general, the increase in dairy stock between 1882 and 1892 having been as much as 52 per cent. The Scotch dairy farmers from Ayrshire, who came early in the period of depression to Essex, seem to have been successful men in their own country, who anticipated better profits from dairy farming, within easy reach of London, when the wheat began to fail, and the rents of Essex farms in consequence began to fall much lower than rents in Scotland. Others who came later were in some instances half broken men, and some of them have barely held their own, while others have failed in Essex also. Wilson Fox, Suffolk, pp. 10, 11. Do., p. 69. H. Biddell, 39,359, &c. Scotch farmers in Essex. Speir, 47,024. Speir, 47,024. Chairman's visit to Essex, p. 1.

They have succeeded in laying down some of the land, and have tried to lay down less favourable soils with varying results, but at any rate, by leaving rotation grasses down for two or three years and grazing them and by using the "tumbled-down land" for rough pasture, they have managed to make, most of them, a tolerable thing of rough dairying work. The results, in our opinion, tend to show that much greater extension and diffusion of a moderate prosperity is quite possible if the area of really sound and useful pasture can be increased. But the key to the success of these Scotch settlers in Essex and Suffolk, such as it has been, or rather to their escape from the losses of other agriculturists in the same neighbourhoods, has been their vigilant economy and patient industry. Pringle, Essex, pp. 10, 11. Wilson Fox, Suffolk, pp. 69, 70.

"They live hard, they work hard, and they spend nothing except on their cows."

In general they have brought their Ayrshire cows, which thrive well, and are good milkers, and have to some extent replaced them year by year from Ayrshire, though latterly they are taking to crossing with shorthorns to improve the returns from cow beef.

And those who have succeeded have brought with them sufficient capital for exactly the type of farming they aimed at, and have not been tempted to lay out a farthing without seeing a chance of a prompt though small return of profit.

Mr. Pringle gives some instances in which this type of farming pays well.

Thus the balance sheets of a farm of 636 acres, worked by a Scotchman in Essex, composed of 318 acres of old grass, 247 of temporary pasture, and 71 acres arable, between the years 1884 and 1893 inclusive, with a capital of only 3,450*l.*, and at a rent of 600*l.* reduced afterwards to 500*l.*, shows an average annual profit of about 12½ per cent. The labour bill was kept between 15*s.* and 20*s.* an acre. Hay and straw were sold off. The rotation on this and similar Scotch managed farms would be : (1) oats after grass ; (2) roots ; (3) wheat or oats with grass seeds. Such success is not achieved by many. Mr. Pringle does not think that most of the Scotch farmers are more than holding their own, by extreme industry and frugality, and by cutting down expenses to an irreducible minimum. Some "have had to succumb to the bad times." Pringle, Essex. Notes of Chairman on visit to Essex, p. 1.

85. Besides the extension of temporary pasture, the low price of corn has to some extent increased, and helped dairy farming, as the second-class wheats and barleys have brought more, when fed to cows, in the production of milk than in the markets. Milk selling in Essex.

But the relief to agriculture from the sale of milk has its limits. Mr. Pringle is of opinion that "this branch of husbandry has in Essex already assumed dimensions sufficiently large for the welfare of those engaged in it, and to still further add to the output of milk for London, would be not only to cripple the affairs of those already engaged therein, but ultimately to destroy the future prospects of milk sellers." The profit, as it is, has been very narrow. A marked increase in the supply would bring profits to the vanishing point. There is, however, room for the profitable making of cheese. Pringle, Essex, p. 49. Pringle, 8763. Chairman's visit, p. 4.

- Dairying in
Lincolnshire.
Wilson Fox,
Lincolnshire.
pp. 96, 99.
p. 99.
86. In Lincolnshire dairy farming does not seem in favour, owing to restricted markets, heavy railway rates, and distance from stations. But remarkable instances of success are given. Thus, on 1,000 acres in the Lincoln Union, two-thirds grass, the occupier lost 70*l.* 9*s.* 6*d.* between 1879 and 1885, but starting a dairy in that year had made a profit of 96*l.* 18*s.* 2*d.* between 1886 and 1893. Another farmer, near Gainsborough, who has laid some land down to grass, and uses machinery for cutting and crushing and pulping chaff, cake, turnips, linseed and corn, cooking potatoes also with the exhaust steam, and who apparently puts everything to his cows, says he has done much better than sticking to the old course.
- p. 99.
- Another farmer finds milk, even with the heavy railway charges, "pays him much better than beef."
- Mr. Wilson Fox states that where good butter was turned out in uniform quality, there was plenty of competition for it, but there is a general want of technical knowledge and of proper equipments for dairy work, while one butter factory has done well and has raised the price and increased the sale of butter, other experiments carried out with skill and capital have failed, and the Lincolnshire towns are full of Danish and New Zealand butter.
- p. 100.
p. 101.
- Hampshire
dairying.
J. Stratton,
6464.
6467.
6870-80.
87. Mr. J. Stratton thinks dairying "the best branch of the business. I dairy 200 cows, and rear all the stock. I keep the young stock upon the poor lands I have laid down to grass, and keep the dairy cows on the better land at home." It is much better to sell the milk than to make cheese or butter," but he complains that the railway company take an eighth of the value of his milk, which is "very exorbitant." And he holds that although milk prices have gone down some 17 per cent. and the value of 700 or 800 head of cattle of his own breeding has greatly depreciated, there is a substantial profit in the dairy industry.
- Cow letting
in South-
western
counties.
Wyatt,
10,983.
Rew, Dorset,
p. 7.
11,263.
88. In parts of Somersetshire and Dorsetshire it is found a workable and profitable system for the farmer to let his cows and buildings to dairymen, the dairyman, in addition to all the dairy produce, taking the calves, and the pigs fed on the buttermilk and other waste. The farmer has to find sufficient pasture, or to buy artificial food, and the payments range from 10*l.* to 12*l.* a cow, while milk, butter, and cheese had fallen in price considerably, pigs and calves have not materially fallen. The hire of the cows has fallen about 3*l.* a head.
- Lancashire.
Wilson Fox,
Garstang,
p. 14, p. 5.
Barlow,
14,269-71.
89. In Lancashire, Mr. Wilson Fox reports that there has been a great increase in dairying, especially in milk and adds: "no doubt those who are exclusively engaged in the sale of milk have felt the depression far the least."
- But their success depends largely on an adequate reduction of rent. Mr. Barlow is of opinion that many dairy farmers in the Blackburn neighbourhood have had to leave their farms because of the refusal to reduce rents in proportion to the falls of prices.
- Prospects of
butter trade.
Sheldon,
21,579, &c.
H. Biddell,
39,432.
Gilbert
Murray,
5118.
Sheldon,
21,761.
Anderson.
H. Biddell,
39,670, &c.
Lovell,
62,327, &c.
62,368.
62,369.
62,497.
Treadwell,
39,756-9.
90. If there is scepticism as to the future of the milk trade there is also great diversity of opinion as to the future of English butter. Mr. Sheldon and other witnesses consider that the general butter trade is practically lost to the British farmer, while many witnesses look hopefully both to the perfecting of processes by technical education and to the development of the factory system, which has been worked successfully by Lord Vernon and others in England, and has had, according to Mr. Anderson, Secretary to the Irish Agricultural Organisation Society, still greater success in Ireland. There can be no doubt that there is to the ordinary farmer a slight gain in price of milk, owing to the higher price obtained by the butter being turned out in large quantities of uniform quality and appearance.
- Mr. Lovell, who has great experience in the wholesale butter trade, has no doubt that a large portion of the butter trade could be recovered by the British farmer if production and distribution were rationally expanded, so as to enable wholesale dealers to obtain promptly supplies of the best grades, of guaranteed and uniform excellence.
- Mr. Treadwell has given up butter-making; at the lowered prices it would not pay for labour; milk he has found profitable.
- Jersey
dairies.
J. F. Hall,
42,167.
42,174.
Read,
16,171.
Bear,
27,516.
42,187.
42,272.
91. Mr. J. F. Hall strongly recommends dairy farming with Jersey cows. Butter profits depend on the economical production of the greatest quantity, of the highest quality of milk. With Jerseys he obtains 1 lb. of butter from seven quarts of milk, while the ordinary rate is 1 lb. of butter from 10 or 12 quarts of milk. On his farm of 180 acres he obtains a rent of 25*s.* an acre, 5 per cent. interest on his capital as tenant, and also interest on his outlay on permanent improvements.
- Mr. Hall argues that butter from shorthorn cows cannot pay at 1*s.* a pound, because 4*d.* to 4½*d.* a gallon for the milk required is an impossible price; with Jerseys Mr.

Hall was realising 10*d.* a gallon, selling his butter at 15*d.* a lb.; but by breeding from the best Jersey butter cows he is confident of getting milk which will produce 1 lb. of butter to six quarts. The breed is far more important than the feeding. Two shorthorn cows require as much land as three Jerseys. But the three Jerseys would produce 1,500 gallons in the year as compared with 1,200 from the two shorthorns, and this means that the Jersey milk would be 1*d.* a gallon cheaper to produce. Three Jerseys will thus produce in butter and skim milk 15*l.* a year more than two shorthorns, and that for a number of years. On the other hand, the two shorthorns when sold to the butcher will, he estimates, bring 12*l.* more. On these grounds Mr. Hall argues for a large extension of Jersey dairies. But it may be objected that not only the question of beef supply puts a limit to such extension, but also any great increase in the supply of high class butter would probably lower prices so as to eat away profits.

92. In Derbyshire dairy farms are, as a rule, small, from 40 to 100 acres, are often combined with some other trade, and, after the reductions of rent made, still are rented at the high average of 30*s.* Those farmers who have ability and capital have not suffered much.

The best pastures in the Vale of Aylesbury are used for fattening stock. The next best land for dairy work, of which milk pays best.

93. The evidence from the South-Western Counties of Scotland shows that throughout these counties dairying is gradually supplanting other systems of farming. Coupled with stock farming and with sheep grazing it has been the mainstay of these districts. While there cannot be said to have been anything "like a total collapse of farming," there are unmistakable signs of mischief in the frequent and sweeping changes of tenancy, and in the depletion of tenant's capital. If Mr. Speir's report fairly represents the position, there can be no doubt that these unfavourable results in a district admirably suited for this class of farming, among men thoroughly experienced, are largely due to the fact that too great a proportion of the returns are absorbed in rents, and that the sitting tenants, owing partly to the action of the owners and agents, partly to the extreme competition of outsiders, are unable to obtain fair reductions of rent, though this is not universal.

The conversion of arable into dairy farming has tended to raise or rather to uphold rents.

There is also keen apprehension as to the increase of foreign competition, facilitated by milking machines as well as by cheap freights, and as to the whole trade being overdone in Great Britain itself.

94. The evidence from Wales shows that dairying pays where milk and butter can be sent to the slate and mining districts, and that the grass districts have greatly escaped loss, as in Cheshire. The butter trade has been depressed by foreign competition, but the best qualities have maintained their prices.

95. Many drawbacks and obstacles to success are indicated here and there. The competition of foreign countries and the colonies has undoubtedly lowered the range of profits, especially as regards butter, the price of which practically regulates the price of milk and of cheese. Foreign butter gets the market partly from cheapness, but still more from uniformity of quality and appearance.

Thus, in Berkshire village stores, Italian butter holds the field at 1½*d.* lower price.*

"It is not so much quality as uniformity which is required, because the large dealers will not look at people who merely sell butter, but not of uniform quality."

This competition may, to a certain extent, be met by a thorough practical and scientific organisation of the dairy industry.

Then there are the physical, and to some extent legal, difficulties in the way of laying down land profitably to grass, dealt with fully in paragraphs 30 to 36.

One of the most serious of all the difficulties is the prevalence of tuberculosis and the great losses therefrom, which is separately discussed in Chapter XVII.

In several districts buildings are most defective. In spite of the efforts of some landowners, the equipment for dairy work is very imperfect in Essex. In Lancashire cowsheds are cramped and unhealthy, and promote the spread of tuberculosis. "The buildings have not been changed or increased with the change in the system of farming from corn growing to dairying." In one district an inspection disclosed the fact that only one out of 12 farmers had satisfactory premises. Butter has often to be

Derbyshire,
&c. Finney
and Osborne.
35,244.
35,247.
Spencer, Bucks
and Hert.,
pp. 8, 9.

The South-
Western
dairy
counties.

Speir, Ayr-
shire, &c.,
p. 4.

Speir, Ayr-
shire, p. 10.

Speir,
46,768, &c.
McCunnell,
55,189-91.
55,333, &c.
Speir.

Speir, 46,770.
Dread, 53,716.
Speir, 40,883,
46,787.

Wales.
Col. Hughes,
50,537.
Jenkin's,
56,888, &c.
Pennant, 57,335,
&c.
57,241-9.

Obstacles to
success of
dairy farm-
ing.

Speir, 47,044.

Pennant.
57,252-61.

Finney,
35,527.
Pringle,
Essex, p. 5.
Wilson Fox,
Garstang,
p. 7.
Mr. Bennett,
Garstang,
p. 7.

* Lord Wantage, Letter to Mr. Shaw Lefevre, November 1895.

p. 8. made in kitchens, and butter and cheese kept in sleeping rooms. There is also much
 p. 9. complaint of unsatisfactory and unhealthy water supply.

Hope, 12,215. Other difficulties are the scarcity and dearness of skilled labour, which retards the development of dairying, especially in districts hitherto mainly arable.

J. F. Hall, 44,030. There is also a frequent complaint that land is deteriorated by constant use for milk or cheese production. Possibly a certain proportion of farmers in these hard times try to lessen loss, or increase profit, by starving the soil, but the evidence tends to show that success in dairy farming, as in other branches, depends in the long run on careful feeding of the soil, whether by cake, or by occasional boning or liming, and that this is recognised by the successful farmers.

Summary of dairy farming evidence. C. S. Read, 16,205, &c. 96. The general result of the evidence on this head is that where there are good markets at hand dairy farming does and must succeed, and that it succeeds in proportion to the quality and condition of the land, and to the degree in which production is made most scientific and most economical, and in which distribution is best organised and facilitated. The remarkable success attained by the co-operative organisations in Ireland, under the guidance of Mr. Horace Plunkett, should be followed up in Great Britain with confident expectation of similar results. A well-judged expenditure on the improvement of dairy stock, on buildings, equipment, on the technical training of those employed, and on scientific appliances and methods of preparation, handling, and packing of butter, will probably be a highly reproductive investment. On the whole, this branch of farming seems the most hopeful in the near future for the country at large, and it is certainly, in my opinion, advisable that any administrative or legislative proposals, which can be shown to be necessary for its development, and for the removal of obstacles to its success, should be promptly initiated.

96a. In this connection it seems probable, that in the interests of health, some legal restriction should be put on the abuse of so-called preservatives, which enable importers to put on the market, milk, cream, and butter from abroad, which are only kept in consumable condition by a liberal infusion of boracic and salicylic acid, and even of lime in such quantities as to be highly injurious to health.

LAYING DOWN TO GRASS.

Opinions of Sir John Lawes, 40,903. 40,906. 40,969. 40,915. 40,975. 41,114. 40,951. 97. Sir John Lawes, the strongest advocate before the Richmond Commission of the policy of meeting the fall of corn prices by prompt laying down to grass, is still more emphatic now. Hopes of a change for the better, and the cost and delay of making good pasture, caused postponement. Now it is imperative. And his view is distinctly encouraging. He does not believe in heavy outlay, in cleaning and fallowing, and other preparation of the land. "If you manure the land well, the best grasses will drive out all the weeds and bad grasses." "I have had a field, with a thick bed of couch grass, and I have destroyed it all by manure. The grasses have come of themselves and driven it out. It is a longer process, but it does it." Even the worst Essex clays "will by degrees come into grass—manure is the great thing." And pasture is constantly accumulating fertility which may be drawn out again, if times improve and land is broken up. His own method has usually been to sow the grass seed with a barley crop, and "after that I have entirely depended upon feeding with cotton cake"—sheep being the best manurers.

Illustrations. 6613. 6614. 6620-2. 98. To select one or two illustrations from a mass of evidence on this point from all parts of the country:—Mr. J. Stratton states that in Hampshire he has "laid down 2,000 acres of poor arable land to grass, and instead of losing money, as that land did before, I consider it pays its way." It may pay occasionally to take a crop of oats, and break up some of it when a large accumulation of stock is sold off at a favourable moment, "but if I were farming my own land, I would never plough it out of grass." Careful feeding of cattle with cotton cake will make pasture of almost any land. Mr. Pringle gives an instance of a farm rescued by scientific laying down, and now in excellent condition and paying well. Furthermore, the saving in labour on 879 acres has been 659*l.* a year.

The Corsehope farm, &c. 54,607. 54,534. 99. Mr. Riddell, on a large mixed and grazing farm in the hilly part of Midlothian, converted 775 acres of land, previously in rotation, to permanent pasture at an outlay of 20,000*l.* during his 19 years' lease, and states that his system resulted in multiplying the stock-carrying power of the farm about four times, giving him a good profit and also maintaining the rent of the farm, which was high at his entry, at practically the same amount. His view is that the land would have been exhausted by cropping, and the

farm would gradually have sunk in value like other farms in same neighbourhood. But by very liberal feeding on the young grass, and never breaking up again, the land became more and more fertile, and after it was "fairly established I found I had most power over it to improve it. According to my experience I can improve it far more after I have been 10 years at it."

Mr. Gibb, a Berwickshire farmer, says about the permanent pasture he laid down in joint agreement or compensation that "it was paying the rent all through as well as it could have done as if it had been in ordinary cropping rotation, but before it came to be a distinct advantage it would be 10 or 12 years old. It is always necessary to keep under crop a certain proportion of land for wintering cattle and sheep."

99a. Much of the evidence and some of the Assistant Commissioner's reports show a widespread belief that "the eastern side of England will not grow grass like the western." The typical Lincolnshire farmer, "on the Wolds, the Heath, and the Cliff," (reclaimed from waste at the beginning of the century, but now some of the finest arable farms in England,) say that grass is no remedy: "if we cannot make our present system pay, the land must go out of cultivation."

The still lighter lands of Norfolk, broken up from rough sheep walks when corn prices were highest, cannot now, Mr. Read says, be got back to their old state. "The soil is so light, and the climate so dry, that the grass will not last, and has to be ploughed up, cropped and laid down to grass again."

These views as to the lighter soils are probably just, but the general protest that the clays will not carry grass in Lincolnshire probably arise from want of experience in laying down and subsequent treatment. Thus a large landowner who has spent 2l. an acre on seeds for his tenants finds in about five years they wish to plough them up, and adds: "As no farmyard manure has been put on the seeds they are worn out in our East Coast climate." Messrs. Sutton also point out that, instead of top dressing and caking pastures more liberally, the Lincolnshire farmers keep their manure for their arable land.

100. Mr. Pringle says as to the heavy Essex clays that much of land laid down with good seeds was indistinguishable from "tumbled-down" land. Failure is due partly to the land having been allowed to get thoroughly out of condition before the attempted change, much of it being waterlogged, partly owing to ignorance of the best methods, the heavy land generally being left flat instead of in ridge and furrow, partly to the practical bankruptcy of the farming class before it was attempted.

In Mr. Pringle's opinion, the Essex solution is in well-managed temporary pastures, under which even the heaviest lands may be turned to some profit. The formation of a really good old pasture is a tedious, costly, and uncertain business, and is generally a commercial loss during the years of transition." Among native Essex farmers there is little knowledge either of laying down or the management of temporary pastures in the first year or two. Bad management and inexperience have involved them in additional losses.

Even in Essex there has been some success in permanent pasture. A successful Scotch farmer, who came from Ayrshire 14 years ago, and has gone in both for temporary and permanent pasture, thinks "there is no reason why heavy clays should not be laid down." But even allowing for some superfluities in Mr. Pringle's estimate for bringing back into a state of cultivation the abandoned clays, which with draining and lining he puts at nearly three times the present value of the freehold, laying down with any kind of preparation of the soil which would give the new seeds a chance, is clearly a waste of money. And half measures to introduce good grass by harrowing, sowing among the twitch, and manuring have only resulted in final mastery by the weeds. Parts of the derelict heavy clays are rapidly lapsing into scrub and bushes, and waste.

Some clays, though stiff and costly to work, have a natural tendency to grass, and do better. Thus in a bad district in Hunts very heavy clay land, which had gone to grass of itself, is now letting at 1l. an acre, after lying 12 to 14 years.

101. The lengthening of rotation by keeping grasses down two, three, or four years is at once the cheapest and most effective expedient everywhere, but especially on heavy and mixed land, when the latter is not still profitable on old lines. But lack of experience, and still more lack of capital for additional stock, and other incidents of a change of cultivation, are grave obstacles to the extension of this system.

The practical results of the temporary pasture system are well given by Mr. Ferguson, a Perthshire farmer. The saving in labour and manure on a 300-acre farm would be about 200l., and the land would produce more when ploughed up the third

Some prejudices and difficulties.
Wilson-Fox, Lincoln, p. 97.

Read, 16,008, 16,035.

Wilson-Fox, Lincoln, p. 97. p. 98.

Permanent and temporary pastures in Essex.

Pringle, Essex, p. 49, p. 27. Appendix on grass question, p. 4.

Pringle, Essex, p. 28, par. 131. Chairman's visit to Essex, p. 1.

Pringle, Essex, Appendix on the grass question, p. 2.

Pringle, 47,511.

Temporary pastures. Nunneley, 55,035. Pringle, Beds, Hants, Northants, p. 43.

Ferguson, 22,844-55. 23,068-78. 23,080-2.

Fyshe, 53,999, &c. year. There is a great increase in fertility. It is a remarkable and not very satisfactory feature of the past few years, that while permanent pasture increased between 1885 and 1895 by 1,268,085 acres, temporary grass land, clover, sainfoin and rotation grasses increased only by 75,000 acres.

Removal of difficulties. Pringle, Essex, p. 36. 102. The suggestion frequently recurring of experimental farms belongs properly to the topic of agricultural education. Its value is more apparent as a permanent part of the equipment of British agriculture than as an immediate help to agriculturists.

J. Stratton, 6623, &c. C. S. Read, 16,450. 16,144. More attention should be given to the removal of restrictions and discouragements to the effective conversion of arable into pasture land. It is plain from much of the evidence that, if there had been a more general freedom to cultivate in whatever way a profit was obtainable, and if the laying down of permanent and temporary pastures had been made matter for full compensation, whether the landlord's consent had been given or not, the transition from unprofitable corn to partially profitable stock and dairy and other farming would have been quicker and more general.

CONCLUSIONS.

Conclusions. J. Wilkinson, 31,449. J. Stratton, 6573. 103. To sum up briefly the results from this type of evidence, I cannot take as regards the country at large quite the sanguine view of Mr. Wilkinson, a Northumbrian witness, who thinks, "We have got out of the trough of bad times, and are adapting ourselves to new conditions." But I believe that some progress has been made in carrying out Mr. Stratton's excellent advice to "keep down the expenditure upon unprofitable land, and do your better land as well as possible." But the starting of remedial lines has been too much delayed. In all probability some of the worst land should have been abandoned sooner. It is certain that a prompt and careful laying down of much of the heavier land years ago would have saved enormous losses. In too many districts the land had got out of condition, and the farmers had lost their capital before the true policy was seen. Even where it was grasped in time, the stereotyped rules or estate agreements, the habits and traditions of the English land system, the charges and burdens under which too many landlords have lost initiative power, or again the liabilities of the farmers themselves limiting their command of capital, have made it difficult, if not impossible, to effect promptly the indispensable revolution in the order of things.

Where any degree of success has been obtained, which is not obviously due to special or local circumstances, its conditions have been (1) a high degree of capacity, energy, and industry; (2) free scope of action; and, most indispensable of all, (3) adequate capital.

The exceptions establish clearly the general rule. The essential factor in the struggle with low prices is the capital of the working farmer. Unless the tenant's capital is kept together and made fully and freely and safely applicable for the everyday work of the farm, agriculture must come to a standstill. Where money and brains have free scope even bad soils can be made to earn something. Where the tenant is tied down to unprofitable systems, or where his capital is nibbled away by rents which are not made out of the land and which more than absorb profits, the best land must soon deteriorate, and the position become hopeless. And if one man breaks and goes in the bad times, his successor has to expend what capital he has in trying to get the land in condition again, and then has no more to go on with. That appears to be the obvious lesson to be drawn both from the history of the decay of agriculture in the depressed districts, and still more from the examination of the causes and conditions of the instances of more or less profitable farming that have been brought before the Commission.

CHAPTER IV.

THE FALL OF PRICES.

The fall in prices. 104. The most potent factor in bringing about the present situation has been the heavy and continuous fall in the prices of corn, and the fluctuating and recurrent fall in the prices of other staple articles of agricultural produce. The other causes of weakness and failure would have kept agriculture back even if prices had not fallen, but those causes severally and collectively could not have had such disastrous results had it not been that prices have been tending to sink to the level or below the level of the cost of production.

Sir Robert Giffen holds that up to 1891 the general change in agricultural prices ranged to about a fall of 25 per cent., that in many manufactured articles there has been a greater fall, and that the fall in agricultural produce has not been greater than the fall in general prices, except in the one article of wheat. But the heavy fall of agricultural prices is felt more keenly because readjustments are slower.

Sir Robert's estimate rests on the figures of 1891. The evidence of many witnesses would make the general average fall of agricultural prices considerably greater, and when the period of 1892 to 1894 is taken, including months in which the lowest recorded prices of wheat and barley, and some of the most exceptionally low prices of stock occurred, it would be safe to estimate the general fall at not less than 40 per cent. since about 1872-74.

The fall in agricultural prices is illustrated by Sir R. Giffen's tables.

Thus the money value of the total amounts of agricultural produce in 1891, at the current prices of 1891, is given as 222,915,000*l.* But if prices had remained at the figures of 1874 the money value of the total produce of 1891 would have been 298,997,000*l.*

Various estimates, Vol. II., Appendix VI.

CORN PRICES.

105. Since 1891 prices have fallen considerably. The later position is strikingly shown in a report of the Norfolk Chamber of Agriculture. Taking the whole production of wheat and barley together, the value of the two crops in 1874 was 4,033,666*l.* from 379,790 acres, and in 1894 was only 1,279,261*l.* from 336,767 acres, taking the prices of October 1894, and allowing for half the barley being unfit for malting, and only used for stock feeding. The value per acre of the two crops averaged in 1874, 10*l.* 2*s.*; in 1894, 3*l.* 16*s.* This is a drop in gross produce of 6*l.* 6*s.* per acre, and a "loss of nearly 6*l.* per head for every man, woman, and child in Norfolk."

The fall in price of corn. Rew, Norfolk, Appendix, B. 1, p. 78.

A similar calculation made for Lincolnshire, by Mr. Roberts, shows that the average annual value of the total wheat crop in that county, taking the 10 years 1874-84, was 2,443,590*l.*, while the average for the years 1884-94 was only 1,406,463*l.*, a decrease of 42.21 per cent. The corresponding fall for barley alone was 14.06 per cent. Taking the total wheat and barley crops together, the average annual values were for 1874-84, 3,769,538*l.*, and for 1884-94, 2,554,635*l.*, a fall of 32.2 per cent. Again, taking separately the years 1874 and 1894, and the average produce of those years, viz., in 1874, 4½ quarters of wheat per acre and 5 quarters of barley, and in 1894 3½ quarters of wheat and 3 quarters of saleable barley, and 1 quarter of "hinderends" at 10*s.*, the value of the total crops of wheat and barley together at the prices of the two years was in 1874, 4,815,951*l.*, and in 1894 no more than 1,350,929*l.* This shows a decrease in the value of the crop of 1894 as compared with that of 1874 of no less than 66.46 per cent. The average value of the two crops per acre in 1874 was 10*l.* 4*s.* 4½*d.*, and in 1894 only 3*l.* 8*s.* 6½*d.*

Wilson Fox, Lincolnshire, Appendix A. 3. (a), pp. 42, 43.

Taking some of the separate farm accounts put in, we find, in one case, the value of wheat per acre given as 12*l.* 10*s.* 9*d.* in 1873, and as 2*l.* 18*s.* 11*d.* in 1893, a difference of 76.4 per cent., and comparing the average of the years 1873-77 with the average of 1888-92, there is a drop in the value of the wheat crop of 4*l.* 17*s.* 6*d.*, or 47.3 per cent., and comparing the same figures with the average of 1893-94, there is a drop of 7*l.* 1*s.* 10½*d.*, or 68.4 per cent. In another instance the corresponding decreases of value are 43 and 67.5 per cent. Again, barley sank from 9*l.* 13*s.* 1*d.* per acre in 1873 to 5*l.* 6*s.* 4*d.* in 1892, to 4*l.* 4*s.* in 1893, and in the unfavourable season of 1894 to 2*l.* 14*s.*, a fall between 1873 and 1894 of 6*l.* 19*s.* 1*d.*, or 72 per cent.

Farm accounts. Wilson Fox, Lincolnshire, p. 42.

Oats averaged 15.7 per cent. less in value in the years 1884-94 than in the years 1874-84, while in 1874 the average price was 29*s.* 2*d.*, and in 1894 14*s.* 6*d.*, a decrease between those two years of 50.3 per cent.

On one of the best farms in Cambridgeshire, 565 acres, the receipts for corn in 1874 were 4,222*l.*, in 1894 were 1,585*l.*, a difference of 2,636*l.*, the land being farmed on the same lines.

Wilson F. x, Cambridge, p. 41.

106. There runs through all these calculations a very natural disposition to take the bottom figures which have been reached, perhaps at exceptional moments (such as the autumn markets of 1894), and compare them with the top figures which have also been in some sense exceptional. It is plain, however, that, with ample discount for this natural tendency, there has been an enormous depreciation in the values of cereal crops, and that to enable agriculturists to continue growing them some corresponding diminution of the cost of production is absolutely necessary, if prices remain at anything like their recent level.

Inferences and reservations.

WOOL PRICES.

Wool prices.
Giffen,
Vol. II.,
Appendix A.
Tables XI. &
XII.

Wilson Fox,
Lincolnshire.
Appendix
A 4.-A.
Pringle,
Beds. &c.
p. 52.

Wilson Fox,
Cumberland,
p. 24 of
Reid, North
Devon, p. 9.
Reid, Dorset,
p. 12.
Riddell, 54,791.

107. As to wool, the total value of the wool produced in 1891 is put by Sir Robert Giffen at 6,000,000*l.*, assuming the average price to be 9*6d.* per lb. The same quantities at 1*s.* 6½*d.* per lb., the average price of 1874, would have made 11,406,000*l.*

With the later price of 7*d.* down to 5½*d.*, the total loss to the wool grower is still more striking.

This closely agrees with the results from farm accounts. Wool seems to have averaged about 40*s.* per "tod" between 1873 and 1878, and the fall to 1893-94 has been about 20*s.* per "tod."

In Cumberland the Teviotdale Farmers' Club supply figures showing a drop in values of wool between the averages of 1870-74 and 1890-94 of about 50 per cent. In Devonshire and Dorset the fall has been nearly 50 per cent.

Mr. Pringle gives startling figures from a farm on the Wolds of the North Riding of Yorkshire, where the clips of 1,500 fleeces in 1864 made 1,925*l.*, and of 1,260 fleeces in 1894 made only 507*l.* 11*s.*

In Scotland the fall in "black-faced" wool is put at from 1*s.* a lb. in 1872 to 5½*d.* or 6*d.* now.

MEAT PRICES.

Meat prices.
Vol. II.,
Appendix A.,
Tables XI.
and XII.

Wilson Fox,
Garstang,
p. 15.

Wilson Fox,
Lincolnshire,
p. 45.

Pringle, Essex,
p. 31.

Stuart,
51,832.

Wilson Fox,
Suffolk,
p. 37.

Col. Hughes,
55,675-7.

Hope, Rox-
burgh, &c.,
p. 26.

108. By Sir Robert Giffen's tables the value of meat in 1891 is given at 75,000,000*l.*, while the same quantities at the prices of 1874 would have brought 98,000,000*l.*, a decrease in value of 23,000,000*l.*, or of about 23·47 per cent.

Mr. Fox's inquiry into the Garstang district of Lancashire in the autumn of 1893 shows heavy falls in price of cattle:—"Bullocks worth 15*l.* to 16*l.* eight years ago, now worth from 10*l.* to 11*l.* The autumn cattle have sold 40 per cent. less than five years ago." Calving cows and heifers sell at a fall of from 25 to 50 per cent.

Taking the average prices realised at Lincoln beast fair in 1882-3 and in 1893-4, the fall in the prices of all classes of cattle between the two periods is from 28·68 per cent. to 33·90 per cent.

In Essex, Mr. Pringle says farmers complain that fattening no longer pays. Buying a beast of 9 cwt. in October, and putting on 4 cwt. by feeding, "the extra price made did not cover the cost of food consumed and labour."

In Banffshire in the "seventies" a cwt. of prime beef was worth 84*s.* It has frequently sold since for 54*s.*, and in June 1895 was worth 60*s.*

Store cattle in Suffolk have fallen from an average of 11*l.* 14*s.* per head in 1889, to 9*l.* 16*s.* in 1894, partly because farmers have not now capital enough to stock their farms.

With regard to sheep, though there has been a recent recovery of prices in 1894 and 1895, and though it can be shown that the average prices 30 and 40 years ago were, on the whole, lower than present prices, there were very heavy declines of value since 10 and 15 years ago. Thus Mr. Hope puts the fall in store sheep between 1882 and 1892, as from 40*s.* to 30*s.*, and in fat stock from 70*s.* to 50*s.*

The average price of sheep at Lincoln Fair from 1877 to 1894 was about 62*s.*, for the first nine years, and about 52*s.* 7*d.* for the last nine years, a fall of 15 per cent. The prices shown in the evidence and accounts of individual farmers confirm the approximate accuracy of these figures.

Bowen
Jones,
44,737.

There is of course more difficulty in getting at the fall in prices of meat in the same way as in the case of cereals. It may be affirmed generally, as regards the values realised by stock, that although the tendency downwards has been marked, it has not been nearly so sweeping and decisive as with corn. The losses to agriculturists under this head have been largely due to sudden and sharp fluctuations, to combined dearness of "stores," and cheapness of fat stock, and to one or two specially unfavourable seasons, such as the drought of 1893, and the cold summer of 1892.

DAIRY PRODUCE.

Dairy prices.

109. But even in the direction where most hope is felt of successful re-adjustment, in dairy products, there has been recently a striking fall of values.

The price of butter usually regulates the price of milk, and the enormous importations of cheap butter from the colonies, as well as from Denmark and France, has lowered the price of milk as well as of butter.

Drew,
53,716-21.

Mr. Drew, in Galloway, says, "We make the very best butter. We have the largest creameries in the country, but the fall in butter has been so great" that the creameries can "only offer 4*d.* a gallon for milk, and it has also to bear the cost of transport."

Speir, Adams,
41,923-8.

Some witnesses put the fall in dairy products at from 10 to 25 per cent.

In Sir Robert Giffen's tables dairy products in 1891 are estimated at 35,000,000*l.*, while at the prices of 1874 the same quantities of milk, butter, and cheese would have been worth 52,500,000*l.*, a fall of 33 per cent. Gilbert, Murray, 5453.

Mr. Finney and Mr. Osborne, of the Derbyshire Dairy Farming Association, state that cheese has gone down from 60*s.* to 80*s.* to 40*s.* to 50*s.*, butter from 1*s.* 2*d.* summer, and 1*s.* 10*d.* winter price, to about 9*d.* or 10*d.* and 1*s.* 4*d.*

In Dorsetshire, where the larger farmers usually let their cows to dairymen, dairies are now let at 2*l.* to 3*l.* less per cow than 10 or 12 years ago, a rough measure of the fall.

110. The fall in the price of potatoes from 4*l.* and 5*l.* a ton down to 35*s.*, and even 30*s.* a ton, has caused heavy losses in many districts. On farms in the Lothians Mr. Hope has estimated the crop at about 8 tons an acre, though it is frequently much heavier. Taking that estimate, the value of the crop per acre in 1894 was nearly 40*l.*, in 1895 between 12*l.* and 18*l.*

NOTE AS TO THE PRESENT POSITION.

111. At the present moment, owing to the delay in the issue of the Report, these figures may be held not to represent the actual state of affairs. The wheat area of 1896 was 1,693,957, and the produce 57,053,000 bushels, whereas in 1895, the corresponding area was 1,417,483, and produce 37,176,000 bushels. The value of the crop of 1896 at an average price of 26*s.* per quarter was 9,271,112*l.*, while in 1895 it was at 23*s.* only 5,056,550*l.* Allowing for the value of displaced crops on the area taken from those crops in 1896 and restored to wheat, an area of 276,474 acres, there would remain a very substantial increase to the assets of corn growers on the year, placing them obviously in a different position from the terrible despair of 1892 to 1894, when English wheat was being fed to cattle or pigs in more than one district.

But the tendency of wheat has been again to fall, and as there is also a downward or at any rate a stagnant tendency in the prices of meat (the triennial average of beef for 1894-6, is the lowest recorded, while mutton showed but a minute improvement) and other produce, we cannot think that the record of the position as given in our evidence, and condensed in the reports, is in any true sense out of date.

CHAPTER V.

PROTECTION AND CURRENCY CHANGES.

112. In times of depression it has always been the first impulse of a majority of agriculturists to demand direct or indirect protection. The desire to keep up prices and receipts naturally comes before the patient and rational procedure of cutting down expenses. Raise prices or lower expenses.

This desire to artificially keep up prices was brought before us in the two demands for currency reform and for protective duties.

113. To take the question of protective duties first, it is, in my opinion, most satisfactory, in the interests of agriculture as well as of the whole community, to note that our evidence shows, conclusively, that protection has practically sunk to the position of a "pious opinion." Protective duties.

A small number of our farmer witnesses,* and one or two landowners, favoured protection in one form or another, some advocating the taxation of manufactured goods coupled with relief to agriculture, others the taxation of foreign barley, others the re-imposition of a registration duty on wheat, &c.

Mr. Harris, who alone argued the question out, would place a moderate duty on all imported corn or flour, except from India and the Colonies, and also on all manufactured articles. With the proceeds he would pay bounties for wheat growing and take off the burdens on agricultural land.

In their local inquiries, our Assistant Commissioners naturally came in contact with the undoubtedly widespread protectionist feeling of many farmers, but even in the rural districts, opinions in favour of protective duties were freely qualified by the comment that, however desirable, it was hopeless to expect to get them.

Among witnesses not hostile to protection as a principle the prevalent opinion was probably expressed by Mr. Punchard, who thought protection might be a remedy for depression, but that it was wholly out of the question.

Wilson Fox, 9258, &c.
Pringle, 47,605, 47,975.
Bew, 62,450.

Punchard, 14,927.
Taylor, 50,039, 50,253, 50,037.

* Treadwell, 39,802; Mercer, 27,358; Hutchinson, 43,789, &c.; A. Smith, 54,391; Lousley, 31,187; Broughton, 15,359; Epton, 35,928; Harrison, 1586; Neakes, 3386; Engleheart, 4274; Rankin, 5630; Wyatt, 10,931, 11,242; Ralston, 25,014; Looker, 41,318; Latham, 7,837; Riley, 36,465; Pears, 36,221.

Evidence against
protection.
Bowen Jones,
44,745.
H. H. Scott,
30,045.

114. Other strong witnesses think protection would be no remedy as well as impossible, and that it would not better the condition of agriculture.

Mr. Albert Pell and Mr. Squarey see no reason whatever to depart in any degree from the principles of free trade.

59,377-80.

Mr. Turnbull thinks an import duty on wheat might raise the price of home wheat, but it would depress the price of home cattle and stock. In the long run it would benefit neither owner nor tenant.

5083.

Mr. Gilbert Murray says Derbyshire farmers do not want protection, it would be against their interests.

The evidence generally as to the branches of agriculture which have held out best during the depression, dairy farming, and stock-breeding and fattening, show that everywhere things would have gone much worse for the farmers in these branches were it not for the cheap feeding stuffs imported from abroad.

Turnor,
14,495, &c.

Mr. Turnor, a large Lincolnshire landowner, said: "I would sooner have the cheap foreign barley for fattening stock."

J. Stratton,
6546, 6826.

Mr. Stratton recommends farmers to sell their hay and other crops, and buy for feeding Russian barley at 84s. a ton.

A Lancashire farmer who has got on says: "I am a free trader; I say we all buy our feeding stuffs cheaper, and we all live cheaper because of free trade."

Campbell,
54,793.
McConnell,
55,207.

Alike among the sheep farmers in the Western Highlands and in the south-western dairying counties of Scotland the protection theory is wholly out of favour with many.

Currency
changes.

115. As to the bimetallic solution of the difficulties of agriculture the case for these proposals was laid before us with ability and completeness by Professor Foxwell, Mr. Everett, and others, and the theories and arguments of its supporters were rebutted very fully by Sir Robert Giffen, Lord Farrer, and other experts.

It is unnecessary to attempt, in this report, to sum up the contentions and illustrations for and against bimetallism presented to us.

It will be sufficient to say that I am unable to agree with many of the views expressed by some of my colleagues in their memorandum on this subject, and that a consideration of the evidence leads me to generally support the views laid before us by Sir Robert Giffen, both as regards the relation of the fall of prices to contraction or expansion of standard money, and as to the impracticability and undesirability of a double standard.

While grave doubt attaches to most of the bimetallic interpretation of past events, still graver doubt seems to me to rest on the view bimetallicists take of the probable course of events in case their proposal was carried out. I cannot be satisfied by the evidence of Professor Foxwell and others that there would be a better equilibrium and more stability of prices under the new system, even if a ratio of the metals could be definitely fixed.

And when it is admitted that the period of transition may lead to so much confusion and perturbation of business that it may be advisable to adopt what is called a "climbing ratio," and to make the transition by successive and periodic revisions of the ratio of the two metals, each such revision necessarily involving the modification of millions of contracts, I confess that such an undertaking seems to me not unlikely to disturb and harass commerce and the commerce of agriculturists as well as of others, and to introduce anarchy and confusion and panic into business relations. Such results could not fail to be ruinous to agriculture, even if at the outset there was a temporary rise of prices, just as inflated paper currency in America and elsewhere has usually developed a feverish expansion of spurious prosperity inevitably followed by disastrous reaction and widespread bankruptcies.

Not an
immediate
issue.

116. Further, Professor Foxwell and the ablest advocates of bimetallism obviously think it either impracticable or hazardous or both to start a bimetallic system without concerted action by the great commercial nations.

If this is a sound view, the whole question is at once relegated to the metaphysics of the agricultural future, and has no practical or immediate bearing on the problem of dealing here and now with the present phases of agricultural depression.

What the present inquiry is concerned with, and what our reference invites us to deal with, is to ascertain what are the immediate readjustments and remedial measures which can be applied at the present moment to the wants of agriculture, to minimise economic loss and friction, and to restore such prosperity to farming as is humanly possible under conditions which practical men admit cannot be altered by a stroke of a wand.

We have, therefore, to see what can be done now for agriculture without attempting to raise prices artificially by protection or bimetallism.

CHAPTER VI.

THE ECONOMIC POSITION OF FARMING IN COMBATING LOW PRICES.

117. The general position resulting from the fall of prices is necessarily before us in a clearer and more precise form than the degree and manner in which the outgoings of farming have been or can be re-adjusted so as to leave some profit on the working. Though exact accounts are not generally kept by farmers, a considerable numbers of accounts which appear to be fairly trustworthy have been obtained. And it may be taken that where accounts are kept, in those cases generally there will have been more organised and persistent effort to make ends meet. So that, though the number of accounts is not large, they may be taken as fair illustrations of how far outgoings have been brought into line with incomings under present circumstances.

The outgoings of farming.

Pringle, Beds, &c., § 39, p. 12.

118. Estimates of the cost of growing cereals vary considerably according to local conditions, and to the allocation, in farm accounts, of various items of outgoings to the several crops. A Lincolnshire farmer of experience puts the cost of an acre of wheat at 7*l.* 0*s.* 10*d.*; barley, 5*l.* 11*s.* 2½*d.*; oats, 7*l.* 3*s.* 6½*d.* In 1894, seed costing less, wheat took 6*l.* 18*s.* to grow; barley, 5*l.* 10*s.* At the autumn prices of 1894 the cost of producing wheat exceeded the returns by 3*l.* 17*s.* 4½*d.* an acre, while barley cost 2*l.* 16*s.* 10*d.* per acre more than it fetched.

Cost of growing corn crops. Wilson Fox, Lincoln, p. 46.

Taking a five years' average of yield and price, 1889-93, an acre of wheat made 5*l.* 3*s.* 4*d.*, an average loss of 1*l.* 17*s.* 6*d.* an acre. For barley the average return was 5*l.* 2*s.* 11½*d.*, and the loss 3*s.* 2½*d.* per acre. This estimate allows nothing for interest on capital or depreciation, and rent is put at 18*s.* 8*d.* an acre.

Appendix, A. 8-A., p. 142.

Another calculation, based on a six-course rotation—fallows, oats, wheat, seeds, wheat, barley—and allowing interest and depreciation at 15*s.* an acre, gives the cost of growing the corn crops at 7*l.* 1*s.* 10½*d.* on the six years, and the loss on the six years, taking wheat at 25*s.*, barley at 30*s.*, and oats at 20*s.*, is put at 17*s.* 11*d.* an acre.

App. A. 8-B., p. 143.

On a four-course system the cost of the corn crops is found to be 6*l.* 18*s.* 3*d.*, and the loss, at 25*s.* for wheat, and 30*s.*, is put at 1*l.* 0*s.* 4½*d.* an acre.

p. 144.

In both cases rent is put at 26*s.* an acre.

On medium soil in South Lincolnshire a six-course system gives cost of corn crops at 7*l.* 5*s.* 6*d.* an acre. The low prices of 1894 make the loss no less than 2*l.* 0*s.* 3*d.* per acre, though this land is very productive (wheat, 4¼; barley, 5; oats, 7 quarters). Rent is put at 26*s.*, and interest and depreciation at 15*s.* per acre.

p. 144.

On fair light land the four-course gives the two corn crops at 8*l.* and the loss at 2*l.* 0*s.* 6*d.*, taking rent at 16*s.* and 1894 prices for wheat and barley.

It is to be noted in all these estimates the straw is supposed to be consumed. In most instances, if the straw were sold off, a small margin of profit would be found, and the land would retain its fertility if the full manurial equivalents were returned, which can of course be done much more cheaply at recent prices than by using all the straw at home. In 1893 oat straw was sold in Lincolnshire at 3*l.* 5*s.* and wheat straw at about 4*l.* a ton.

E. Turnor, 14, 183. Spencer, Aylesbury and Herts, p. 11.

The accounts of Mr. Prout's farm in Herts, where the system of continuous corn growing and sale of straw, with return of artificial manures, has been followed for many years, with undiminished productiveness of the soil, give a fair measure of the margin of profit thus obtainable on heavy land well farmed.

The cost of growing an acre of wheat, taking rent at 25*s.*, tithes, rates, and taxes at 7*s.* 6*d.*, interest on capital at 10*s.*, is put at 7*s.* 2*s.* 6*d.*

The average market value of an acre of wheat, during the 14 years from 1880 to 1893 inclusive, has been found to be 7*l.* 2*s.* 4*d.*, and of barley 7*l.* 13*s.* 9*d.* The average value of straw of all kinds has been 1*l.* 19*s.* 3*d.* For 1892 and 1893 the acre of wheat fetched only 3*l.* 14*s.* and 4*l.* 19*s.*, and the straw of all kinds for those years fetched 2*l.* 12*s.* 6*d.* and 2*l.* 8*s.* 4*d.* In 1892 there would therefore be a loss of 16*s.*, even with the straw sold off, and in 1893 the profit would be only 4*s.* 10*d.* per acre. In 1894 there would be a loss on wheat of over 30*s.*, and probably a slight loss on barley.

119. A Wiltshire farmer of experience gives the cost of a four-course rotation as follows: Roots, 5*l.* 10*s.* 3*d.*, clover, 2*l.* 9*s.* 3*d.*, wheat or oats, 6*l.* 0*s.* 3*d.*, barley, 4*l.* 6*s.* 9*d.* This is taking rent at 12*s.* 6*d.* and making no allowance for tenants' interest or depreciation.

Other illustrations. Rew, Salisbury Plain, p. 8.

In Dorsetshire the cost of the four courses is put by a competent farmer at 18*l.*; the returns, taking straw at consuming value, are only 16*l.* 13*s.* This works out at a loss of 6*s.* 9*d.* an acre per annum on average arable land without allowing for rent.

Rew, Dorset, p. 10.

Three estimates in Dorset for an acre of wheat are—5*l.* 9*s.*, with rent at 30*s.*, and no interest on tenant's capital; 7*l.* 19*s.*, rent at 25*s.*; and, "after two years lay," 5*l.* 10*s.* with rent at 15*s.*

Rew Nor-
folk, p. 30.

In Norfolk the estimate of experienced agents and valuers is 5*l.* 8*s.* for an acre of wheat—rent, tithe, rates, and taxes taken at 25*s.*; while two "of the best known farmers" put it at 6*l.*, rent, &c., being put at 1*l.* 7*s.* 6*d.* Estimates collected by the Norfolk Chamber of Agriculture, put the cost of wheat or barley at 4*l.* 8*s.* 4*d.*, exclusive of rent, tithe, rates, and taxes, and also excluding, as the two estimates above do, allowance for interest on tenants' capital.

Returns were obtained by the same Chamber for 1894 from 47,000 acres of land, producing wheat and oats rather over the average, and barley just under average, "the best farmed land in the county. Of the crops, 58 per cent. were sold, making a return for wheat of 2*l.* 6*s.* 11*d.*, barley, 2*l.* 19*s.* 10*d.*, and oats, 1*l.* 14*s.* 2*d.* per acre. The 42 per cent. of corn used at home is put at—wheat, 1*l.* 15*s.* 4*d.*, barley at 1*l.* 0*s.* 10*d.*, oats at 3*l.* 7*s.* The total money returns from each crop are—wheat, 4*l.* 12*s.* 3*d.*, barley, 4*l.* 0*s.* 9*d.*, oats, 5*l.* 3*s.* 3*d.*, or an average on all of 4*l.* 5*s.* 2*d.*

According to these figures, on the best farmed land of a county where scientific farming has worked wonders, the returns in 1894 left nothing, or less than nothing over working expenses either in the way of rent for landlord, or tithe, rates, and taxes, or interest for tenant. If all the straw were sold at a fair price ends would not be made to meet.

56,141.

Mr. Nunneley, a Northamptonshire farmer, who has farmed heavy land successfully, holds that wheat costs just under 5*l.* an acre, plus rent. At 30*s.* a quarter, four quarters would just repay expenses, and pay 20*s.* rent, and you would have the straw for the profit.

3440.

Mr. W. J. Harris, who thinks that the average advantage the foreign producer has, in cost of production and expenses, till his wheat is marketed in England, is about 40*s.* an acre, says, "There is a fair acreage throughout England that is so fine that it would compete (with imports) even under present conditions, especially if you allow the sale of the straw, or a portion of it."

4895.

Conclusion.
Rew, Nor-
folk, p. 25.

With a liberal allowance for exaggeration consequent on a state of panic, such as Mr. Rew describes in Norfolk in 1894, it must be admitted that even with the small rise in prices in the present year, the staple crops of arable farming have ceased to pay any return which can keep up their cultivation. If a narrow margin can be got it must be by the sale of straw at full market, and not at consuming, prices. It is true that a certain relief comes from the low price of seed corn and of fertilisers to replace the farmyard manure, if straw is sold off. But any such "set-off" is trifling, and unless prices rise above at least a minimum of 30*s.* for wheat and barley, it will only be in exceptional circumstances and positions that corn growing can be persisted in, except at much longer intervals of seasons, or so far as it may be an indispensable adjunct of stock farming.

The four-
course sys-
tem con-
demned.
Letter of
Lord
Leicester to
Mr. Shaw
Lefevre,
Vol. .
App. .

120. In the face of such testimony from all districts, the four-course system, so long the mainstay of English arable farming, naturally is condemned in the letter of Lord Leicester to Mr. Shaw Lefevre when Chairman and by many witnesses who have come before us.

If the estimates of the cost of the four-course system and of the returns from roots and seeds are approximately correct, to make ends meet a return from the two corn crops is demanded, which is impossible at present prices. For instance, in two careful estimates the cost of the four years is put at 19*l.* 16*s.* 6*d.*, and 19*l.* 15*s.* 0*d.*, and the value of roots and seeds at 6*l.* in one case, and 3*l.* 15*s.* in the other. In the former case wheat and barley have to make up 13*l.* 16*s.* 6*d.*, in the latter 16*l.* per acre, between them, an insoluble problem at the prices of the last few years.

The only chance of economic recovery lies in the direction of reducing expenses by throwing land into grass, and occasionally breaking up. Lord Leicester is able to reduce his horses from 34 to 18, and the labourers employed on this farm from 22 to 12. He also finds the land so full of nitrogen after temporary pastures that two corn and two root crops may be taken without manuring.

Cf. Wilson
Fox, Suf-
folk, § 81,
p. 62.

THE COST OF LABOUR.

The cost and
quality of
labour and
the position
of the
labourer.
Giffen,
18,084.

121. The most important element in the cost of production economically, as well as socially, is the cost of labour. Sir Robert Giffen has shown that in the progressive changes of values during the past 20 years, the wages of labour have been fairly maintained, while the general fall in the prices of all the articles consumed by the

- workers represents a real improvement in the condition of labour. Taking the two facts together, wages not having fallen with prices, labour, he thinks, is at least 20 per cent. better off than in 1874. Again, where labour has become more efficient, there may have been some adjustment of the labour item in the cost of production, but where things have remained as they were, or where labour has become less efficient, it means that out of the depreciated produce of the soil, a larger portion than before has to be set aside to pay for labour.
- This general law is amply supported and illustrated by evidence and farm accounts supplied to us.
- Thus, on a typical arable farm in North Lincolnshire, comparing the years 1873 to 1877, with the years 1893-94, while the decrease in the values of the wheat and barley produced has been 63 and 61·6 per cent. respectively, and in wool 49 per cent., the decrease in the labour bill has been only 9·4 per cent.
- Mr. Read's labour bill is practically the same as 20 years ago. "Rent used to be double labour; now labour is twice the rent."
- Sir John Lawes thinks labour is the chief item in the increase of the cost of production.
- Mr. H. H. Scott, thinks labour has become a 10 per cent. larger item.
- In Scotland, Mr. Hope thinks the rise in the work of labour has been about 15 per cent., Mr. Ferguson puts it at 25 per cent., and "even this rise does not prevent the best men from going off to the towns."
- Generally speaking, the evidence is uniform that where farming is proceeding on the old lines, and is kept up to anything like the old standards, the cost of labour is either about the same or has materially increased.
- And even in the case of a changed system of farming, there is not always a saving. Where dairy work is taken up, there is almost an increase in the work of labour, as skilled men and women are wanted, and in stock farming also.
- The same is stated even as regards machinery. Machinery makes production easier and saves time, but higher wages are paid to skilled labour. Mr. Dewar, on the other hand, a successful farmer, says he saves the harvest wages of seven men, 49%, by binding. And "in Cornwall," says Mr. Collins, "our farmers have adopted mechanical power, and effected an immense saving in labour. The work is now done with American reapers and binders."
- Lord Wantage, on the other hand, thinks that, while changes in cultivation and the introduction of machinery are lessening employment, "social reasons and moral obligations prevent the agriculturist from farming his land to the best advantage, and precludes him from freely using labour-saving machinery," as does also the fear of throwing men upon the rates.
- On his own estates, as on Lord Leicester's estate, the men displaced by changes of cultivation are found employment in estate work, such as road-making, planting, &c.
- That tenant farmers share in this feeling and give it effect seems to be confirmed by evidence from the eastern counties, that wages have, to a certain extent, been paid out of capital in the past few years.
122. There is a difference of opinion as to whether labour now is less efficient or not. Some farmers emphatically state this to be the case. Others take a decidedly more favourable view.
- Mr. Read, thinks the young labourers of to-day take little interest in their work. Mr. Cocks, says there is a great difficulty in getting efficient men. Mr. Watson thinks "the labour quite as good as it was." Mr. Worthington: "You can get first class men; there is no doubt about the quality."
- Lord Wantage, who has studied the position of the labourer and small holder, and has special experience, says, "the labourers are quite as good as they were. I do not think that there is any deterioration among them. A good cottage and a good garden is a great inducement to a married man to stay."
- Mr. Ralston, Lord Strathmore's agent, says: "Labour is very good. The quality has been quite maintained."
123. Mr. Latham thinks the men earn as much as formerly in summer, except during harvest, "when the machinery does not give them as good a chance of earning high wages as they used to have." "All through the winter time in my early days, the labourers were always on piecework, and earning much larger wages than they do now." "We have a good supply of labour. The actual labour has not deteriorated. Where men have had good masters, they are pretty good now. I wish I could think it was not the other way, but I do think the masters have deteriorated, and not the men."

Lawes, 41,119-31.

Giffen, 18,118.

Giffen, 18,156.

Illustrations, 51.
R. Stratton, 34,978, 35,061.

Wilson Fox, Linc., p. 46.

16,161.
16,027.

41,012-14.

Hope, 12,198.

Ferguson, 12,160-2.

Huskinson, 728-91, 902, 982-4.
Read, 16,406.
Hutchinson, 43,764.

Read, 16,503.

31,720.
37,208.
Scott, 30,034.

Letter to Mr. Shaw Lefevre, Nov. 1895.

H. Biddell, 39,328.

The efficiency of labour.

Read, 16,158.
Cocks, 1848. f
Lord Wantage, 4527, 4623, 4735.
Watson, 2100-17.
Worthington, 12,583.
Ralston, 24,852.
Hutchinson, 43,763.

The position of the labourer.
Latham, 37,803-5.

Latham,
37,811-12.

The advantages of the labourer consist, in Mr. Latham's opinion, in their greater spending power, and their improved cottages and allotment gardens.

Black,
51,977, &c.
Black,
51,665-9.

In Scotland, Mr. Black thinks the position and advantages of labourers greatly improved—"half as well off again." "A larger share of the produce goes to the labourer and less to the landlord and tenant; but the labourers deserve it, and work well for it."

Dickie,
52,302-9.

Mr. Dickie: "Their condition has very materially improved."

52,324.

Mr. Lockhart: "They are more attentive and keep things in better order than they used to do."

52,743.

Mr. Dun, on the other hand, doubts whether the work is as good as it was. The best men go away.

53,216-7.

Conclusion.

On the whole, there can be no doubt that the general cost of labour has materially risen, and that where the scale of wages is highest and advantages greatest, as in the north of England and in Scotland, and on well equipped and generously managed estates everywhere, the efficiency of labour is as great, if not greater than ever. Where the scale of pay has sunk, as in some counties, the best men naturally seek employment elsewhere.

THE COST OF MAINTAINING FERTILITY.

Fertilisers
and feeding
stuffs.

124. As to the other main item in farming outgoings, the expenditure on fertilisers and feeding stuffs, the facts disclosed are highly significant. It is plain that where the capital of farmers has been drained away to a low point, and the stage of ruin, both of the farmer and of the land, is near at hand, as in some of the worst districts, this expenditure has fallen. But even in these districts, so long as it was possible, the energetic farmer has clearly worked on the plan of trying to beat low prices by full production, and the evidence of proportionately heavy outlay on feeding stuffs and manures is very striking. In the case of nearly all the successful farmers, the expenditure has been considerable and generally maintained continuously. Where a change of cultivation has taken place, with the increase of stock, there has been also a considerable increase in the outlay on cake.

Ferguson,
22,918, &c.

Does high
farming
pay?

30,017.

30,185.

125. There is very naturally some difference of opinion as to the financial results of this type of expenditure.

Thus, Mr. H. H. Scott thinks "high farming does not pay so well as it did. . . . I expend about 1,800*l.* to 2,000*l.* in artificial foods alone. At one time, when prices of stock were good, I do not think there was any expenditure I made that yielded me more profit than that expenditure on artificial foods; but now there is no direct profit from it, and last year I made out that there was a loss from it." But, Mr. Scott is speaking under the pressure of the great drop in prices of stock in 1893, and he admits that there is "an indirect profit by the benefit the consumption is to the farm," and that it cannot be "in the end good policy to reduce the condition of the soil, even though it does not pay for a year or two at present. I believe in good and liberal cultivation."

30,279.

31,503-6.

Mr. Wilkinson, also from Northumberland, holds strongly that, even on secondary land, such outlay in feeding stuffs and artificial manures might help farmers to get over their difficulties. You can go beyond justifiable expenditure, but with careful attention to your business, and careful spending, cakes and manures still pay.

Pell,
17,640.

17,688.

Mr. Pell, though he condemns as reckless many of the later forms of expenditure, still believes that the farmer who goes in for thorough clean farming and the best of everything has more chance of holding his own.

39,912.

Mr. Treadwell, on the other hand, though he admits that nothing will make or restore a pasture so quickly as a liberal use of cake by sheep or cattle, and has proved that "to the hilt" by his own experience, is convinced that at the present price of produce the higher you farm the more money you lose.

4881-2.

Sir John Lawes says "the last bushel always costs more than all the others." With low prices you cannot force the produce of the land remuneratively beyond what he calls the average of the seasons. He fears that farmers who have farmed very highly have lost money. But his view is rather a condemnation of extreme forcing of the soil, than what people ordinarily understand by liberal treatment of the land. "It would be equally bad economy to farm too low." The natural produce of the soil would not pay a man to cultivate now.

In every case, when closely questioned, there came the admission that the chances of success in these times were increased by having the best stock, the best seeds, the best cake and manures, the best equipment, and the best labour.

It is the letting down of land which is the sure and unfailing precursor of the ruin of the farmer. The higher fertility created by doing everything well, not only makes the best bid for a profit now, but is continually adding to the savings bank for the future. The only qualification is that the cultivation must be appropriate to the land, and that on many of the heaviest and lightest of lands, irrespective of their having been let down, the chance of a margin of profit is too slender now to justify outlay. These types of land must, in some cases, for the present disappear from cultivation, and their owners and occupiers must be content with the lowest return from these either as rough temporary grazings, or for the still humbler function of rabbit warrens.

Pringle,
Beds,
Northants,
p. 17.

One unanswerable proof that liberal outlay in farming still pays is that the testimony of almost every witness is practically unanimous that there is a striking competition for farms where this policy has been pursued, and that this eagerness of the outsider to come in and reap the advantages of good farming is the greatest peril of the good farmer at the present day, and actually leads to the absorption of his possible margin of profit either by enhanced rent or by the refusal of a moderate and reasonable reduction in consideration of depression of produce.

Another consideration which shows that farmers have been alive to the benefit of high farming is that the prices of cakes and manures have considerably fallen, and yet we have in a large proportion of farming accounts handed in, undeniable proof that the money outlay in this direction is, if anything, increasing, and, therefore, the quantities must be still more increasing. Further economy has been effected by the more careful analysis and selection of feeding stuffs and manures.

Epton, 35,871-4.
36,135-7.
Read, 16,163-4.
Scott, 30,019-20.
Dewar, 31,740-59.
Elliott, 38,133-42.
Lipscomb,
20,078.
Hutchinson,
24,483, 24,541.
Fyfe, 53,996.

It is most satisfactory to note that a considerable protection and pecuniary advantage has been conferred by Parliament on agriculturists by the passing of the Fertilisers and Feeding Stuffs Act in 1893. That Act, where effectively administered, has been of the greatest service to agriculturists.

WHAT ITEMS MUST BE CUT DOWN.

126. Whether this tendency to maintain and to concentrate outlay on adequate working and adequate fertilising of the land is viewed in the interest of the production of food, or the provision of employment, we are bound to consider it as a sound economic instinct, and, in fact, the only rational method of readjusting the outgoings of farming to present returns which is consistent with the permanent interests of agriculture. Even supposing that the large proportion of money returned from rents to the land, in the shape of drainage, buildings, and other improvements, and in repairs, which we have noted on certain large and liberally-managed estates, were more general than it appears to be, it is plainly necessary that rent should be subordinated, as an outgoing, to the payments for labour and fertilising, that in the farmers' expenditure the reproductive items should in bad times be kept up, or, if necessary, increased, and the balance obtained by cutting down the non-reproductive items, rent, and through rent, rates, and taxes, to the lowest point possible. It is also obviously to the interest of the owner in the long run. The heaviest losses to owners have been from the breaking down of old tenants, the deterioration of the land, and the heavy cost of getting things going again with new tenants.

True
balance in
outgoings
necessary.

CHAPTER VII.

THE FARM ACCOUNTS.

127. But this is just what we find, from analysis of the farm accounts handed in, is not being done, or is being done in a most inadequate fashion.

To take a few instances:—Mr. Rew gives the accounts of a large and well-managed farm on Salisbury Plain (827 acres) for a quarter of a century between 1868 and 1893. Labour has averaged 774*l.*, and for the last two years stands at 745*l.* and 767*l.*, showing no diminution. For manures, feeding stuffs, and seeds, the average of 1868-78 was 714*l.*; from 1878-93 these items averaged 1,236*l.*; and the last two years were 1,118*l.* and 1,193*l.* respectively. From 1868-78 rent averaged 956*l.*; from 1879-85, 845*l.*; from 1886-88, 740*l.*; and from 1889 rent has been 536*l.*. The profits were, from 1868-78, 2,655*l.* 11*s.* 7*d.*, and from 1886-88, inclusive, 675*l.* 2*s.* 3*d.*; losses, from 1879-85, were 1,777*l.* 8*s.* 6*d.*, and from 1889-93, 279*l.* 8*s.* 9*d.*. Profit and loss were calculated after allowing 5 per cent. interest—350*l.* on the average capital of 7,000*l.*

The balance
is generally
wrong.

Rew, Salis-
bury Plain,
p. 14, App.
C. V.
Farm
Accounts,
p. 184.

To what extent this farm has been over-rented is shown by the following figures :— From 1879–93—the period of depression—10,814*l.* was paid in rents, and a loss of 1,381*l.* 15*s.* incurred by tenant. In the last five years 2,679*l.* was paid in rents, and the loss was 279*l.* 8*s.* 9*d.* It is plain that a further reduction of rent of about 13 per cent. through the whole period would have enabled the tenant to make ends meet (without any reward for management and skill), and a similar reduction of about 11 per cent. on the reduced rent of 536*l.* would have made ends meet on the last five years; in other words, would have left the clear interest of 5 per cent. on tenants' capital intact. A very small additional fall in rent would have given the tenant a small working profit. These accounts amply illustrate the insufficiency and tardiness of reductions, and how the best type of farmer is gradually brought to ruin. In this case, the tenant could not have held out without private resources of his own. "But for the private means which my father and I possessed we could not have lived on the returns of the farm." Yet in the 25 years the owner has received in all 21,339*l.* from this father and son in rents.

Illustrations
from Lin-
colnshire and
other
counties.
Wilson Fox,
Linc., p. 63,
App. A. 1 A.,
p. 117.
Farm
Accounts,
p. 127.

128. Mr. Wilson Fox says of the admirable series of farm accounts in his Lincolnshire Report: "All these accounts come from representative farmers who are at the present time farming high. Consequently these accounts can only be regarded as the best samples, and do not represent those of a more struggling class, handicapped by want of capital." Taking one instance:—

On a farm of 474 acres, heavy loam, half arable and half pasture, accounts from 1883 to 1893 inclusive, 11 years, show that labour averaged 452*l.*, nearly 1*l.* per acre, and in the last two years stood at 467*l.* 14*s.*, and 480*l.* 7*s.*, while manures, feeding stuffs, and seeds averaged 400*l.*, and were in the last two years 378*l.* 13*s.*, and 410*l.*

The rent has averaged 478*l.*, or about 1*l.* an acre; but the farmer's profits, taking the balance of profits over losses for the 11 years, have only averaged 15*l.* 1*s.* 9*d.* of the whole 474 acres, or under 8*d.* an acre per annum. In such a case as this, the economics of farming are obviously upset in favour of the landlord in most outrageous fashion. This tenant has been doing his land well, and has had as his reward the right to use about 185*l.* worth of produce per annum from the farm, the use of the farmhouse, and 15*l.* a year as interest on 3,055*l.* capital and payment for his own skill and exertions. If 5 per cent. interest on tenant's capital and 2*s.* 6*d.* an acre for management were also charged, the deficit would be about 200*l.* a year. But the owner has in the 11 years drawn no less than 5,236*l.* from this farm. A reduction of about 26 per cent. would have left the tenant with a profit equal to 5 per cent. interest on his capital.

Pringle,
Beds, &c.
p. 112, App.
C. III.
Farm
Accounts,
p. 64.

A Bedfordshire farm of 922 acres, one-third pasture, well worked with plenty of capital and excellent buildings, shows over 12 years—1882 to 1893—and comparing the averages of 1891–2–3 with 1882, a drop in the total outgoings from 4,967*l.* in 1882 to 3,430*l.*, or 30 per cent., while labour has fallen from 1,000*l.* in 1882 to an average of 854*l.*, or 14½ per cent., and cake and manures have risen from 272*l.* to an average of 352*l.*, an increase of 29 per cent. Rent at the same time has fallen from 1,256*l.* to 1,069*l.*, or 11 per cent., and in the last year to 944*l.*, or 24 per cent. The balance of profits over losses for the 12 years has been 1,811*l.* 16*s.*, an annual average of 150*l.* 19*s.*, or 3*s.* 3¼*d.* an acre, as the total return for interest on capital, and for management and personal work; whereas, worked commercially, with interest on capital and something for management, the tenant should have been getting 400*l.* more. But the owner has drawn in the 12 years in rents 13,241*l.*, or about 1,120*l.* a year, or over 24*s.* an acre.

Wilson Fox,
Linc., App.
A. 1. B.,
p. 118.
Farm
Accounts,
p. 128.

A farm in the Lincoln Union of 320 acres, nearly all arable, shows over the nine years from 1885 to 1894 a total loss of 464*l.* 19*s.* 5*d.*, or average loss of 51*l.* 15*s.* 3*d.*, or 2·2 per cent. on average capital of 2,309*l.*, without charging interest on capital or for management. Labour has averaged 434*l.*, and in last two years stands at 480*l.* and 487*l.* Manures, feeding stuffs, and seeds have averaged 229*l.*, and for last two years are 237*l.* 0*s.* 6*d.* and 271*l.* 2*s.* 4*d.*, an increase in the essential outgoings. The rent has averaged 235*l.*, and has not been sensibly reduced in these years. A reduction of rent by about 100*l.* a year would have changed the tenant's loss of 464*l.* into a profit of the same amount, or about 2 per cent. on his capital, and would have left the owner with a rent of 8*s.* an acre.

Wilson Fox,
Linc., App.
A. 1. C.,
p. 119.

A strong "wold" farm in Louth Union, 491 acres, of which 99 are grass, shows since 1888 averages—labour, 499*l.*; manures, feeding stuffs, &c., 532*l.*; rent with rates, tithe, and taxes, 645*l.* Without charging interest on capital or for management, the

tenant has lost 51*l.* 13*s.* 8½*d.* a year. But here, as in several other Lincolnshire Farm Accounts, there is an ample margin in the rent out of which to construct a small profit for the tenant. p. 129.

The result of the six years' farming is that the owner has drawn in rents 3,871*l.*, out of which it appears only 121*l.* 4*s.* has been remitted in 1893, and 1894—while the occupier has lost nearly 10 per cent. of his working capital, 3,400*l.*, and has had as his share the use of the farmhouse and an average of 175*l.* worth of produce for his housekeeping.

The accounts of a large "middle marsh" farm in the same district, 1,200 acres, one third grass, show average outlay on labour, 1,249*l.*, and on feeding stuffs and manures, 535*l.* The loss between 1884 and 1894 has averaged 38*l.* 9*s.* 6*d.* a year, without interest on capital or charge for management, or even taking anything from the farm for housekeeping. But the rent has averaged no less than 1,579*l.*, and even now stands at 1,250*l.*, or a little over 20*s.* an acre. The owner has drawn in the ten years no less than 15,793*l.*, while the accounts prove that the tenant has employed a capital of 7,407*l.*, in keeping up the farm at a good and uniform level of labour and manuring, and has not only received nothing, but has lost nearly 400*l.* of his capital. A reduction of the rent to 10*s.* an acre would have left the tenant in 1893-4, with a profit of about 300*l.*, or about 4 per cent. It may be added, too, that this tenant's rates stand at the high figure of 298*l.*, which would have been materially reduced if the rent had been adequately reduced a few years ago. Farm Accounts, p. 131.

Such instances as these of the complete transfer of the economic loss of these bad times to the shoulders of the tenant, placing him in the position of a man who sacrifices his whole time and energies and capital to produce wealth in which he is allowed no share whatever, are clearly inconsistent with common sense, and ruinous to the interests of agriculture, to say nothing of their injustice.

A splendid "wold" farm of 837 acres, 90 per cent. arable, in North Yorkshire, "ably managed and in prime condition," shows, in the 15 years from 1879 to 1893, profits of 2,052*l.* in seven years, and losses of 1,997*l.* in eight years. The net profit of 15 years' working is 55*l.* 5*s.* 8½*d.*, or 3*l.* 13*s.* 8*d.* per annum, without charging interest on 12*l.* an acre capital. Labour has averaged 1,009*l.*, and last two years are 1,069*l.* 11*s.* 9*d.* and 1,084*l.* 19*s.* 2*d.* Manures and feeding stuffs were in 1892, 816*l.*, and in 1893, 866*l.* Thus the farm has been thoroughly well kept up by the tenant, with the result that the use of over 10,000*l.* of capital, and the whole skill and energy of an expert farmer, has been given for nothing. But in the 15 years the owner has drawn in rent* no less than 13,887*l.* 10*s.*, and the rent in 1893 still stands at 735*l.* 15*s.* Such an absolute transfer of the whole economic loss to the tenant seems to us wholly incompatible with the interests of agriculture and with common fairness. Pringle, North Yorkshire, App. C. II., p. 47, see par. 52. Farm Accounts, p. 192.

129. A grass farm of 431 acres in Northants, where labour has since 1889 averaged 270*l.*, and cakes and manures 380*l.*, has made a loss of 112*l.* a year, or nearly 3 per cent. on capital, while paying an average rent of 708*l.*, which left an ample margin to allow the tenant a small working profit. In five years the owner has drawn 3,357*l.* 15*s.*, while the occupier has lost 561*l.* or a seventh part of his capital. Other illustrations. Pringle, Beds. &c., App. C. IX., p. 125. Farm Accounts, p. 130.

A farm of 750 acres, nearly all arable, in Mid Norfolk, for nine years from 1884 to 1893, shows averages: for labour, 1,065*l.*; for manures and feeding stuffs, &c., 753*l.*; and profit, 25*l.*, without allowing anything for interest or management. Rent, with which tithe is counted, averaged 1,128*l.* from 1884 to 1889, and since then 580*l.* There was, therefore, a large margin for allowing a reasonable profit to the tenant, who only received 225*l.*, while the owner took in rent 7,964*l.* 13*s.* Rew, Norfolk, App. E. 2, p. 112. Farm Accounts, p. 142.

Accounts are given from North Cambridgeshire by Mr. Wilson Fox. Thus, 21 years of a well-worked fen farm of 565 acres, one fourth pasture, give average outgoings—for labour, 912*l.*; manures, &c. 1,665*l.*, and an average profit of 363*l.*, or 6·6 per cent. on capital, while the rent paid to landlord has averaged 1,117*l.*, or 2*l.* an acre. These accounts clearly show the different position of tenants in the last few years. The total profit on this farm from 1874 to 1885 was 6,819*l.*, or 620*l.* a year, or 11·3 per cent. interest on capital. From 1885 to 1895 the profit has been only 798*l.*, or 79*l.* 17*s.* a year, or only 1·5 per cent. on capital. For the last five years the tenant has lost 335*l.* a year, or 6 per cent. on his capital, and this with a return of half the agreed rent. A further reduction is essential if bad times continue. According to the tenant, profit is no longer obtainable, even on this splendidly kept up farm, without seriously curtailing the most essential outgoings. The net rent received by the landlord from this farm Wilson Fox, Cambs, App. A. 1 A. Farm Accounts, p. 74.

* In these accounts insurance is not separated from rent.

from 1890 to 1895—five years—was 3,690*l.* 11*s.* 4*d.*, while the net loss to the tenant for the same period was 1,676*l.* 18*s.* 11½*d.*

Too narrow margin.
Wilson Fox,
Linc., App.
A. 1. M.,
p. 126.
Farm
Accounts,
p. 136.

130. Accounts showing how a very high rent prevents ends meeting when the pinch comes, such as the following :—

A farm of 869 acres, two thirds arable, most of it good sound black land, and about one fifth heavy clay, shows a profit of 112*l.* on 1892–93, and a loss of 195*l.* 13*s.* 11*d.* on 1893–94. In 1892–93 labour stood at 1,494*l.* and fertilising at 711*l.*; in 1893–94 the two items were 1,339*l.* and 1,048*l.* The rent paid in the former year was 1,372*l.*, in the latter, 1,257*l.* The net loss to tenant on the two years, 83*l.*, was about 0·66 per cent. on his capital, no allowance being made for interest or management. Interest at 5 per cent. on capital would have been 325*l.* A reduction of 20 to 25 per cent. would have done something to share the loss of the two years fairly between landlord and tenant.

Wilson Fox,
Linc., App.
A. 1. N.
Farm
Accounts,
p. 136.

On a farm of 1,600 acres in the Caistor Union the outlay on labour in 1892–93 was 1,523*l.*, and on manures and feeding stuffs 270*l.*, while rent was 1,700*l.* The loss in that unfavourable year was 232*l.*, which might have been converted into a profit of 3 per cent. on tenant's capital by a reduction in rent of 28 per cent., leaving the owner 15*s.* an acre.

Wilson Fox,
Linc., App.
A. 1. P.
Farm
Accounts,
p. 136.

A strong soil farm in the Spilsby Union of 812 acres, two thirds arable, shows in 1893–94 outlay for labour 885*l.*, for manures and feeding stuffs, 407*l.*, and a loss of 302*l.* for the year, or 6 per cent. on capital—5,000*l.* But the rent is 1,017*l.*, or 25*s.* an acre. This certainly leaves an ample margin to protect the tenant from wasting of his capital.

Rew, Nor-
folk, p. 26,
App. E. 4,
p. 115.
Farm
Accounts,
p. 146.

Seven years' accounts of a 490-acre farm (300 acres arable) in the same district show net profits averaging 420*l.* from 1887 to 1890, and net losses averaging 192*l.* from 1891 to 1893–4, or a net profit over the whole seven years at the rate of 157*l.* a year. In 1893 labour was 682*l.*; manures, feeding stuffs, &c., 633*l.*; and rent, including tithe, 523*l.* To make ends meet, and give the tenant even 3 per cent. on his capital during the last three years, rent should have been reduced nearly 70 per cent., which, as tithe is included, would be nearly impossible.

Yorkshire,
p. 26.

Mr. Pringle gives the results of the balance sheets of a grass farm in Yorkshire, where sheep-breeding and dairy farming are carried on, for two good years, 1880 to 1883, and two bad years, 1891 to 1893. In the former there was a profit of 226*l.* 10*s.* 11*d.*, in the latter a loss of 142*l.* 7*s.* 10*d.*, while the rents paid were 883*l.* 5*s.* in the former and 616*l.* in the latter, tithe, rates, and taxes being 64*l.* 16*s.* 2*d.* and 58*l.* 3*s.* 10*d.* The average net profit then was thus 21*l.* 0*s.* 9*d.*, while the average rent was 749*l.* 12*s.* 6*d.*, or 35 times the average net profit.

But it must be admitted that with the exception of two or three cases quoted above, even these more favourable balance sheets do not give the farmer anything like a fair commercial return. At most they show that there is a margin in some cases out of which a profit could be made, and that in some cases the balance between owner and occupier in sharing the produce of the farm has been made more approximately fair.

Instances
of better
equilibrium.
Pringle,
Beds., &c.,
App. C. VI.

131. On the other hand, some accounts show a not unfair distribution of the economic pressure. A heavy clay farm of 540 acres in Bedfordshire, where nearly half the land has been laid down, still shows a labour bill in 1893 of 790*l.*, and for manures, feeding stuffs, &c., of 826*l.* From 1886 to 1893, seven years, the average net profit was 198*l.*, or 7*s.* 4*d.* an acre, or nearly 4 per cent. on capital, including the bad year 1893, when 322*l.* was lost. Rent and tithe stood at 350*l.*

Wilson Fox,
Linc., App.
A. 1. F.,
p. 122.
Farm
Accounts,
p. 132.

Five years' accounts of a well worked farm on the "Heath," near Sleaford, 790 acres, one-fourth pasture, show average outlays, on labour, 786*l.* (last two years 823*l.* and 817*l.*); manures, feeding stuffs, &c., 1,311*l.*; and a total profit of 844*l.* 3*s.* 2*d.* on the five years, and 168*l.* 16*s.* 7*d.* average profit, or nearly 8 per cent. on capital. The rent, rates, and taxes together have averaged 603*l.* This would seem to give the owner a fair return, considering the times, and enable the tenant to scrape along without any return for his skill and work, but with enough margin to prevent loss of capital.

Pringle,
Beds., &c.,
App. C. II.
Farm
Accounts,
p. 63.

Accounts for four years—1882, 1886, 1890, 1893—of a strong clay farm in Beds of 260 acres, three-fourths arable, show the labour item stationary at about 306*l.*, cake and manures going up from 69*l.* to 103*l.*, and an average profit of 82*l.*, or 6*s.* 4½*d.* an acre, or a little over 3 per cent. on capital. Rent has been reduced about 25 per cent., from 484*l.* to 356*l.* But in 1893, while the rent secures to the owner a return of 27*s.* 5*d.* an acre, the tenant has a loss of over 19*s.* 6*d.* an acre. And over the four years the owner gets an average of 33*s.* an acre, and the tenant only 6*s.* 4*d.*

On a very strong clay farm in Hunts, 462 acres, two-thirds arable, 13 years' working from 1881 to 1893 inclusive, gives averages of labour 390*l.*, manures, &c., 380*l.* and profits 194*l.*, or 4·9 per cent. on capital, or 8*s.* 5*d.* an acre. Rent has averaged 344*l.* was reduced from 400*l.* to 300*l.* in 1886, and 1893 was 262*l.* 10*s.* The owner has taken about 11*s.* 6*d.* an acre as his share, and left his skilful tenant to draw 8*s.* 5*d.* an acre—a fair adjustment, which has had excellent results.

A Northants farm of 324 acres, three-fourths arable, well worked by a tenant who has private means, shows averages over seven years for labour, 466*l.* 15*s.*, in 1893 478*l.* 11*s.*; for manures and feeding stuffs, &c., 347*l.*, in 1893, 402*l.* 13*s.*, and an average profit of 241*l.* 16*s.* 1*d.*, or 14*s.* 10½*d.* an acre, or 6 per cent. on 4,000*l.* capital. Rent and rates together were, in 1887, 474*l.*, and in 1893 324*l.* 15*s.*, a reduction in these items of about 28 per cent. Here, again, is shown a favourable economic result from a fair sharing of profit and loss between owner and occupier.

A heavy clay farm of 316 acres, in the same county, two-thirds grass, shows a slightly diminishing labour bill, 243*l.* 17*s.* in 1885, and 168*l.* 8*s.* in 1893, and a slightly increasing outlay in feeding stuffs and manures. The average annual profit has been about 100*l.*, or a little over 4 per cent. Rent has averaged 333*l.*

A "four-course system" farm in Norfolk, of 425 acres, nearly all arable, shows over 13 years, averages of 544*l.* for labour (in last three years 586*l.*, 587*l.*, and 598*l.*) of 856*l.* for manures, feeding stuffs, &c., and a profit of 280*l.* for interest on capital and remuneration for management. The average for rent, tithes, rates and taxes has been 465*l.* This shows a fair distribution as between owner and occupier.

A three years' average of accounts on a farm of 640 acres (two-thirds arable) in West Norfolk shows a balance for tenant's interest and remuneration of 185*l.*, after outgoings for labour of 621*l.*, manures, &c., 147*l.*, and rent, tithe, rates and taxes of 555*l.* 14*s.* The capital of tenant has gradually shrunk from 5,000*l.* to 3,000*l.* This is a very moderate return, but shows an attempt on part of owner to meet the times, but there is clearly a margin to make the tenant's return more satisfactory.

A farm of 840 acres in Dorset, excellently worked for 36 years by a business-like farmer, shows, over 20 years, average outgoings for labour 878*l.*; manures, feeding stuffs, &c., 510*l.*; and rent 505*l.* The average profit has been 279*l.* Rent was reduced to 505*l.* in 1886, to 411*l.* in 1890, and to 357*l.* for 1893. The last two years give:—1892, rent, 411*l.*; labour, 949*l.*; manures, &c., 724*l.*; and profit 223*l.*; for 1893, labour, 956*l.*; manures, &c., 684*l.*; rent, 357*l.*; and profit, 193*l.* Considering the times such an account is a record of good sense and good management and fair play.

A light and sandy farm in East Suffolk, of 260 acres, more than half arable, "in the hands of a first-rate farmer," and near a good market, shows from 1874 to 1894 an average profit of 168*l.*, or 8½ per cent. on capital, while rent has averaged 245*l.*, and has been reduced from 23*s.* an acre in 1877 to 13*s.* an acre in 1894, over 40 per cent. Labour and fertilising have been kept up to a high uniform level, averaging 331*l.* and 614*l.* respectively.

Accounts from 1883 to 1892 of a grass farm of 494 acres, only 96 arable, in Northumberland, show that labour costs practically 1*l.* an acre even on such a farm. With a rent of about 18*s.* an acre the tenant has made an average profit of 126*l.* a year, or 4 per cent. on his capital.

132. Some of the accounts show an almost hopeless position. Thus a strong clay farm in Beds, of 800 acres, from 1885 to 1890 inclusive, shows an average labour bill of about 1*l.* an acre, and amounting to 826*l.* in 1890. Feeding stuffs and manures averaged 21*s.* 3*d.* an acre up to 1890, when this item fell below labour. The losses of the tenant averaged 152*l.* and the rent 543*l.* up to 1890. To cover tenants' loss and to secure him even 3 per cent. on his capital, a reduction of over 60 per cent. in rent would be necessary, and the rent would sink to 5*s.* an acre. Such farms would seem almost unworkable at present prices, unless the labour item as well as rent can be materially reduced.

Another Bedfordshire clay farm of 275 acres averages from 1888 to 1893 inclusive 411*l.* for labour, 289*l.* for manures, &c. Rent, rates, taxes, and insurance have averaged 184*l.* 7*s.*, and allowing 5 per cent. interest on capital, the tenant's losses have averaged 290*l.* 14*s.*, or more than double the rent. If no interest on capital is allowed for, the losses still are 188*l.*, so that under present circumstances, the tenant would lose about 3 per cent. on his capital if he held the farm rent free. Unless a material alteration can be made in the labour item this farm seems unworkable.

Pringle, Beds., &c., App. C. VII., p. 119. Farm Accounts, p. 119.

Pringle, Beds, App. CX., p. 126. Farm Accounts, p. 151.

Pringle, Beds. Hants, Northants, App. C. XL. Farm Accounts, p. 162.

Rew, Norfolk, App. E. I., p. 112; also para. 45, p. 25. Farm Accounts, p. 142.

Rew, Norfolk, App. E. 8, p. 118. Farm Accounts, p. 148.

Rew, Dorset, App. B. 6, p. 61, sec. p. 18. Farm Accounts, p. 86.

Wilson Fox, Suffolk, App. A. 1. D. Farm Accounts, p. 174.

Wilson Fox, Glendale, App. A. 8, p. 32. Farm Accounts, p. 163.

Position nearly hopeless. Pringle, Beds, App. C. IV., p. 114. Farm Accounts, p. 66.

Farm Accounts, p. 66. Pringle, Beds, App. C. V.

Rew, Dorset,
App. B. 6,
p. 60.
See pp. 17,
18.
Farm
Accounts,
p. 84.

Results.
Black,
51,707.

Pringle,
8,886, &c.

The following account also shows complete economic breakdown :—

The balance of profit on a farm of 1,080 acres, on only one-third of which rent is paid, was for 14 years from 1880, only 1,284*l.* In other words, the profits of farming 1,080 acres amounted, after paying a rent, which spread over the whole is from 3*s.* to 4*s.* an acre, to about 90*l.* a year for interest on capital and living for the tenant. The labour item has been fairly maintained at from 22*s.* to 19*s.* 6*d.* an acre.

133. Various estimates may be given of the minimum return for which it may be to the interest of a capable farmer to go on working his farm.

Ten per cent. on capital, taking one year with another, is assumed by many to be a fair return for a farmer to count upon. And, in general, a farmer expects, in addition to interest on capital, about 2*s.* 6*d.* an acre return for management, and it is only after these two heads are provided for that "profits" are supposed to begin. But if 5 per cent. is taken as about the minimum which would keep a man going, and enable him to prevent his capital from melting away, it is plain from this survey of typical accounts—all presumably from farmers of more than average prudence and capacity—that nothing like even this modest standard is being attained. On the other hand, it seems plain from the accounts that, except in the cases of complete collapse where no available margin any longer exists, landlords are still drawing rents, out of which a reasonable though small profit might be made for the tenant. In the worst cases the landlord continues to place the entire loss upon the tenant and is obviously living upon the capital and the labour of the tenant, who receives no return whatever. In the best cases the larger share of economic loss is being borne by the tenant, and in nearly every instance, while the tenant is clearly trying to secure the best returns by keeping up a high standard, both of labour and manuring, a rent is being drawn which completely excludes any possibility of the tenant obtaining, as the result of his loyal work and ample expenditure, anything like a reasonable commercial return.

So far as the accounts collected can be depended on to illustrate the general position, they indicate that it is indispensable for the future of agriculture that rents not already reduced to an equitable figure should be further reduced without delay, so as to secure, where possible, a moderate return for farmer's capital and skill.

Some further
inferences.

Rew,
Norfolk,
p. 35.
Wilkinson.
Scott,
30,043.

134. The position of some of the farmers whose accounts are analysed in paragraph 127 is only intelligible in view of many statements in evidence that farmers are universally reluctant to realise by selling out in these times of bad prices, and that the more embarrassed they are the more they cling at all hazards to their farms.

These accounts should also be considered in their bearing on the general evidence, that many farmers in most districts have been paying rents out of capital till they break down and their farms are taken at great reductions by new tenants.

The analyses of the accounts seem to establish a strong probability that the two tendencies disclosed—the tendency on the part of the best farmers to keep up the high cultivation and fertility of their farms to the utmost, in the hope of better prices and results, and the tendency of owners and agents to maintain the item of rent, irrespective of the necessity of establishing some sort of equilibrium in the farmer's outgoings by subordinating non-reproductive to reproductive items of outgoings, these two tendencies have probably been largely responsible for the ruin of many deserving and capable and hardworking men, and for the wholesale deterioration of the soil in the districts most affected.

Summary of
results from
the whole of
the farmers'
accounts
put in.

135. The facts and figures brought before us in the farm accounts are tabulated in the Appendix to this Report. Of the 97* English farm accounts set forth in the "Particulars of Expenditures and Outgoings on Estates and Farm Accounts reprinted from the Reports of the Assistant Commissioners," 21 are omitted from consideration as being accounts of owners farming land in hand, or as being imperfect in details. They do not illustrate the relations of landlord and tenant in the economics of farming. The remaining 76 are accounts of tenant farmers for various periods of years, from 26 down to one year.

As has been already indicated, these accounts include a large per-centage of accounts from men who have had exceptional advantages in farming, so that a strong presumption may fairly exist, that they put the relations of farmers' profits to rents in a much more favourable light than if we had before us the accounts of the unfortunate

* Accounts VI. and X. refer to the same farm.

men who have broken and gone, or are still in occupation, but reported to be on the verge of insolvency in many districts. In any case it cannot be held that the accounts sent in represent an exceptional or unfavourable sample of the present position.

These 76 farm accounts cover an area in all of 42,966 acres. Five of these accounts, covering 4,025 acres, only give profits and losses, and do not give detailed items of outgoings. The accounts for 38,941 acres give the details of the outgoings with sufficient precision, except that, in two accounts, the value of produce taken from the farm and used in the farmer's house is set down on the side of expenditure, and not on the side of receipts, where it should appear. Correcting this error, we find that the whole area of 42,966 acres has been farmed with the result that while the total average profits on some of the farms amounted to 6,553*l.*, the total average losses on other of these farms amounted to 6,452*l.*, or a net profit over the whole area of 101*l.*

Taking the 71 accounts which give detailed items it is found that over the area of 38,941 acres, the average total outgoings per annum were 214,964*l.*, or about 5*l.* 14*s.* per acre.

Of these outgoings the average annual amount paid for labour was 47,009*l.*, or 21·9 per cent., or about 1*l.* 4*s.* 6*d.* per acre, for feeding stuffs, manures, and seeds, 47,548*l.*, or 22·5 per cent., or about 1*l.* 5*s.* per acre. Rents took up on the average 39,530*l.* per annum, or 18·5 per cent. of the outgoings, or about 1*l.* 0*s.* 7½*d.* per acre. The total average annual profits over the 38,941 acres were 6,468*l.*, and the total average annual losses were 5,616*l.* Deducting losses from profits, we have over the whole 38,941 acres an average annual profit of 852*l.*

In other words, 71 tenants, employing in their business probably a capital of not less than 350,000*l.*, and throwing in their experience, skill, energy, and physical labour, have only had the average annual return of 852*l.* profit, or about 5·25*d.* an acre, to divide among them. This result of the analysis of these accounts is still more striking, when it is noted that in only four of these 71 accounts, does the tenant charge interest on his capital, as he certainly ought to do, if his accounts are to keep him going on reasonably commercial lines. If the total capital of the 71 tenants is taken at 350,000*l.*, and the capital on which interest is charged in four accounts, viz., 31,800*l.* is deducted, the interest, at 4 per cent. on the remaining 318,200*l.* would be 12,730*l.* per annum, and the modest profit of 852*l.* would at once be converted into the heavy loss of 11,878*l.*, or an average annual loss of 6*s.* 1¼*d.* per acre. It is thus seen that the whole return to the tenant, for interest on capital employed as well as for profit has been just over 5*d.* per acre, so far as these accounts throw light on this problem.

To arrive at the landlord's share a slight correction must be made in the figures.

In 12 of these accounts the rent has not been separated from rates and taxes. These 12 accounts cover 6,344 acres. But it appears from the accounts in which rents are separately stated from rates and taxes, that the average annual amount of rates and taxes has been almost precisely 3*s.* an acre. It is probable, therefore, that the total average rents of 39,530*l.* includes about 3*s.* an acre on 6,344 acres, which goes, not to the landlord, but to rates and taxes. We have, therefore, to deduct about 950*l.* from the total average rents, leaving the net average rent 38,000*l.*, or a return of 1*l.* 0*s.* 4¾*d.*

Treating, then, the whole 38,941 acres as if they formed one estate, for the purposes of argument, it thus appears that the share taken by the owner of the gross returns has been at the rate of a little over 20*s.* an acre, while the share left to the tenant has been only 5·25*d.* an acre.

It must, of course, be borne in mind that 21 of these accounts are for one year only, and most of these for the very bad year of 1893.

It may also be urged, with some force, that in a considerable majority of the accounts a certain portion of the farm produce is consumed in the farmhouse, and has not been entered among the receipts.

On the other hand, in all but four accounts no charge whatever is made for interest on capital, or for management, and the amount which should have been estimated for these two heads would certainly be much greater than the value of produce consumed in the house.

The "Estates Accounts" confirm this reasoning. On 30 great estates or groups of estates in England, the total cultivated area is shown to amount to 440,490 acres; the total amount of rents actually received in the year 1892 (the last of the series given) was 535,436; and the net income of the owners, after paying outgoings of all kinds, including outlay on new buildings, drainage and various allowances, is 243,724*l.* 1*s.* 8*d.*

The outgoings, as is pointed out in the chapter on landlords' improvements, are, if anything, too comprehensive, but, taking them as they stand, they take up over 54 per cent. of the gross income. This leaves rather over 45 per cent. as the net rent received by the landlord.

It will be noted that these estates include two or three well-known estates belonging to the Duke of Westminster and the Duke of Bedford, *where the outlay on repairs, new buildings, and other items, has considerably exceeded the gross rent.* So that the remaining owners are clearly receiving a higher net income than 45 per cent. of the gross rents.

In view of figures of this nature, if these accounts can be taken as representative, it is impossible to admit that there has been any sweeping reduction of rent in this country, in any degree commensurate with the heavy fall in the values of the produce of the soil. As contrasted with the enormously enhanced rents of 20 years ago, the present rents undoubtedly represent a considerable drop in the income of owners. But the farm accounts, and the almost unvaried testimony to the persistent losses, or the very restricted profits obtained by tenants, makes it practically certain that tenants cannot conceivably, even in the most favoured districts, be drawing from their holdings any sum which is not a mere fraction of the net incomes derived from the same land by their landlords, and (as compared with the average gross rents paid by them to their landlords) must be the smallest possible fraction.

Conclusions. 136. These figures can only be treated as creating a strong presumption that rents are still at a level far above the economic value of the land, in view of possible returns at present prices. But it must be remembered that this is substantially the only area occupied by tenant farmers, for which we have any exact accounts.

I submit, therefore, that considerable weight should attach to such evidence as a *prima facie* proof that the economic pressure of low prices has not as yet been fairly adjusted as between owner and occupier. And, the very general unanimity in the evidence of farming witnesses as to the critical position of their class in nearly every district has not in my opinion been rebutted. The two classes of evidence—the figures of the accounts, and the evidence of the farmers appear to me to confirm each other, and make it an imperative duty to advise that such a state of things deserves the fullest and most prompt attention of Parliament.

CHAPTER VII.

RENTS AS A CAUSE OF DEPRESSION.

Excessive rents a chief cause of depression.

Rew, North Devon, p. 12. W. Fox Glendale, p. 12. 56,634.

53,946.

2723.

Harrison, 1308. 1514. See Martin, 3915. 3908.

1508. 2625. 2570. 2458. 2440. 13,650-3.

22,226.

37,800.

37,801.

137. The evidence goes to show that over-renting (1) has been a chief cause of depression, in bringing farmers to ruin, and in deteriorating the condition of the land, (2) is even now very general, and (3) that the opinion that further reductions are necessary and inevitable, is, among farming witnesses, practically universal.

Colonel Hughes, agent to Sir W. W. Wynn, says: "The men who put things wrong were those who raised rents in the prosperous times; there never was a more unwise step."

Mr. Fyshe puts "high rents" before low prices as a cause of depression.

Mr. Kidner places second in the list of causes of depression "the great increase in rents in times of inflated prices with too slow reduction under the subsequent depression." Rents are made up "by good cultivation, and by drawing upon capital."

Mr. Harrison, who says "rent is the first remedy" for depression, and thinks rent may be fairly defined as "the profit that is made after the farmer has been able to live and pay the outgoings on the farm," states that "for the last 20 years tenants have been paying a large amount of rent out of capital."

Mr. Middleton, taking the same view, says: "More relief could be got by reduction of rent than in any other way."

Mr. Rolleston, a land agent, thinks that from hoping for a change for the better, "farmers paid more rent than they ought to have paid." "Their capital has completely melted away."

Mr. Cooke thinks "many men are now paying rents which the products of the farm will not justify."

Mr. Latham says "tenants have been paying their rents out of capital for such a length of time, that they are much reduced in their method of farming, and in their capacity of farming." The deterioration of the production of the soil is very general."

Mr. Looker, an agent, admits that "tenants are not satisfied that the land is worth any rent at all." "They continue to fulfil their obligations; occasionally one drops out, and somebody else comes in at a less rent." 41,452-4.

Mr. Lander: "Farmers are very short of capital through paying rent out of it." 33,612-3.

Professor Long thinks that excessive rents paid out of capital, and therefore reducing the capital of the farmers, have contributed to the depression. 25,700.

Mr. James Hope, Mr. C. S. Read, Mr. Reynolds, Mr. Wyatt, and many other witnesses are generally of opinion that rents have largely been paid out of capital, and that this has caused numerous changes of tenancy, and deterioration of farming. Mr. Rankin, as a landlord, generally assented to that view. 2882-4, 2918, 13,651, 15,979, 22,236, 37,800, 41,725, 41,452, 27,733-6, 12,234, 33,613, 11,052-3, 21,087, 21,214, 21,378, 42,016 Pringle, Northants, p. 10. See Stuart, 52,061-4.

138. Mr. Herman Biddell, speaking of the distressed districts of Suffolk, says that "if they had had a reduction of rent, the same as they have got now, when wheat was selling at 38s. and barley at 34s. they would have been able to go on, and admits that even present reductions have not been sufficient to prevent tenants from paying rent out of capital." 5,738-42. Illustrations. 39,468. 39,470.

Mr. Pringle says of the South Midland district, "I believe, of those who still remain as the remnant of the old stock of farmers, a very large proportion have done so, because they had some private means to fall back upon. As was said in the great depression in 1836, so now the evidence given to me in Bedford, Huntingdon, and Northampton (and I think it is thoroughly supported by the balance sheets from farmers) all points to a repetition of that feature of depression from 1879 to 1894, that rent has been paid not out of profits but out of capital, and that farmers are getting worse from year to year. There has been either a melting away of the working capital represented by live stock, accompanied by necessary indebtedness to tradesmen, dependance on dealers, and all round deterioration in farming, and ending in bankruptcy or abandonment, or the private banking account and investments have been drawn upon to meet liabilities." Pringle, Beds., Hunts., Northants, p. 10.

Mr. Foster, a Northumberland farmer, whose rent stood at 750*l.* for a farm of 500 acres in 1875, and at 525*l.* in 1893, puts his expenses in 1875, including rent, at 2,056*l.* His savings on labour, manures, and feeding stuffs, and rent, amount to 381*l.* But owing to the fall in prices (taken at 30 per cent.), the same amount of produce which would have paid his expenses in 1875, would now bring only 1,439*l.*, while the expenses now, after deducting the various savings, would still be 1,675*l.* Thus "a reduction in rent of 61 per cent. instead of 30 per cent. would be required to recoup losses through fall in prices." W. Fox, Glendale, p. 10.

Mr. Epton, a large Lincolnshire farmer, who gave remarkable evidence as to farming expenditure and losses, showed that his receipts are 2,600*l.* less than 20 years ago, while his rent is only 1,000*l.* less. While avowedly reluctant to press his landlord and considerate of his interests, he says: "all my profit is gone, and I am losing money besides." "If prices do not rise, the ultimate remedy must be a further reduction of rent." "The tenants are losing a deal more than the landlords now." In the previous reduction of rent, the landlord took over the tithe, and interest on loan for improvements, together 615*l.* But as Mr. Epton, paying the rent of 1,900*l.* in 1893, lost 800*l.*, both those burdens, and still more of the economic losses rest on his shoulders. 36,085, &c. 36,092. See Olver, 37,690. Lander, 33,393.

Mr. Bowen Jones (Shropshire) says: "In the last 20 years my returns have fallen 1,800*l.* a year, and my rent and rates have fallen only 300*l.* I cannot go on making losses at the same rate as I am doing now, or I shall be bankrupt in a few years. If the rent was all taken off I should have done no good, that is the real position we are in now." 44,738-41.

Mr. Squarey, whose experience is extensive, and who has made heavy reductions on properties under his charge, states that "as a rule with the reductions that have been made, the tenants are not doing themselves any good, and are not adequately remunerated for their labour and energy." 7,472-3.

Mr. Wyatt states "the reduction—40 per cent.—in Somersetshire is certainly not in fair proportion to the fall in prices. Some of the farmers have had to take the rent out of their banking account, and out of money invested, and a great many have taken it out of the land deteriorating it in value." 11,052.

Mr. Middleton says, there must be large arrears of rents—"It is a marvel to me how rents are paid at all in some cases." 2451. 2279.

Mr. Ferguson says, "If I had not made some money in the good times, I could not have stood the bad." 23,233.

139. As to the insufficiency of existing reductions, even those witnesses who expressed their appreciation of the manner they had been met by their landlords, stated that Reductions of rent insufficient.

Rowlandson,
17,573.
Noakes, 3,885.
Parton, 26,225;
26,329.
R. Britten,
56,468, 56,568-7.
T. Carrington
Smith, 2678-82.
9,744.
Scott, 30,042;
30,016.
47,176.
47,280-5.
47,284-91.
Riley, 26,458, &c.,
56,511, &c.

6479.

35,691.

35,725.

39,831.

15,947.

15,979.

16,325.

Rew, North
Devon, p. 17;
Oxford,
Gloucester, &c.,
p. 20.
16,338, 5636,
5675.

17,784.

35,087.

Riley, 86,505.

Wilkinson,

31,397.

31,579.

32,165.

12,234.

12,309.

33,393.

22,975-6.

23,223.

27,372

Fream, An-
dover, p. 15.

Abatements
and remissions.
238a.
21,777.
25,847.
Roberts, 55,901.
Long, 25,704, &c.
R. Britten,
56,471.

Pell, 17,708.

Roberts, 56,908-3.

Carrington
Smith, 9708.
Roberts, 55,905.
Bear, 27,566-76.

others were rented too high, and could not make their rents. Thus, among others, Mr. Baker states that, even with reductions ranging from 20 to 60 per cent., further reductions of 25 to 30 per cent. are desired by tenants in Northamptonshire. Even, apart from the bad seasons of 1893 and 1894, they cannot make ends meet. Rents have not been sufficiently reduced, or reduced in time.

Other striking evidence on this point may be quoted. Thus Mr. J. Stratton says, "Rents will still have to come down, as we tenant farmers will not go on occupying land and investing capital in it, unless we get something like a fair return."

Mr. R. Brown, who has received 50 per cent. remission on the Duke of Bedford's estate, takes the same view.

So does Mr. Treadwell, who says "the present rents cannot be made anywhere this year" (1893-4).

Mr. Clare Sewell Read says that you must now make six or seven rents to live in consequence of the relatively increased expenses that we have in these days of high farming. Though nothing, in his opinion, can now save most of the Norfolk farmers from ruin, he holds that rents must be further reduced.

Mr. Rew reports from North Devon general protests against the present rents as excessive, and that landlords ought to reduce them.

Mr. Rankin admits that reductions of rent in such proportion to fall in prices as would enable farmers to meet their outgoings, "would in most cases sweep away the rent altogether."

Mr. Albert Pell says a further reduction of rent would improve the farmer's position, and if I was a farmer I would go very strongly in for that, and I think I should be justified."

Mr. R. Stratton says of Monmouth and Gloucestershire farmers they are paying too much. "It is difficult to understand how land can be worth anything at all, if you are to judge of the value of the land by the value of its produce."

Mr. Wilkinson says, "You cannot get a sufficient reduction of rent so as to enable you to meet the requirements of the times."

Mr. Forster, who has received a reduction of 40 per cent. where most tenants have had only 25 per cent., says, "It would take on an arable mixed farm 60 per cent. to meet the difficulty."

Mr. James Hope: "I cannot see how the men are to live at all, unless it comes off the rent. It cannot come off the labour bill, or off the manure and feeding stuffs, or else the fertility is let down."

Mr. Lander says that the first remedy suggested by the Shropshire farmers for the depression is the reduction of rents.

Mr. Ferguson (Perthshire): "A further reduction of rents is the only thing we have in our own hands"—labour and taxes cannot be touched—we used to draw more out of the land, and the only apparent way to get it is from the landlord." "The reductions represent nothing like the fall in prices, not one farmer I know is making his rent."

Even Mr. Mercer, who thinks rents have little to do with depression, admits, "We are not making any money at the present time, and that is why the man without capital is bound now to go."

A Hampshire farmer, quoted by Dr. Fream, gives as one of the causes "of the present ruinous condition of our industry, the disinclination and refusal of landlords in most cases to meet their tenants. Some, not all, are now offering 15 or 20 per cent. abatements. When, as in the last two years, more than the rent has been lost, this is too little. In seasons like the last two, 50 per cent. should be allowed to tenants of a few years' standing, to enable them to hold on." This man, whose family had been tenants for two centuries on the same estate, has since sold off, being unable to make the farm pay.

140. There is much evidence to show that reductions are by no means universal, and that in many districts and on many estates the system of temporary remissions or abatements, sometimes wholly insufficient to meet the times, is still common. In many cases, even in districts where depression is general, there would seem to have been neither reductions nor abatements of any kind.

Mr. Albert Pell points out the hardship of the abatement system to tenants who are thus deprived of any reduction of the assessment of their farms to local rates, and are kept under unfair pressure from excessive rates. The same complaint comes from North Wales.

Other witnesses condemn the abatement system as keeping tenants in a disheartening uncertainty in bad times, as tending to demoralise them, and to check outlay or effort

in improving farms, and as inducing men who have been losing money to hang on and lose more. Again, the tenant, it is pointed out, is left wholly at the mercy of his landlord, who may, if occasion or wish arises, reimpose upon him without notice the old rent, however excessive or unjust. This power has, it is alleged, been used in the case of tenants who made use of the Ground Game Act, or in other ways put themselves in conflict with the owner or agent.

Speir, 47,029.
Stuart, 51,839.
Long, 35,733-7.
Wilson Fox,
Garstang, p. 17.

The relative advantage to agriculture of a permanent reduction of rent is roughly shown in the case of Lord Sefton's tenants, who preferred a 5 per cent. reduction to 10 per cent. remissions. Mercer, 27,269.

In the last six or seven years, as depression has deepened the obvious advantage to landlords as well tenants of obtaining a reduction in the assessments of farms, has greatly stimulated owners and agents to turn abatements into permanent reductions. But this process has developed slowly, and cannot as yet be said to be general. 27,264.
55,900.

141. The evidence is practically unanimous that rents did not go down soon enough. There were in many counties large remissions of rent in 1879 and 1880, but the heavy remissions and reductions everywhere range in date from 1882 to 1887, and even later. Essex farmers were in trouble several years before 1879, but from estate accounts given in Mr. Pringle's report the gross rent, and, even with the remissions, the net rent does not go down substantially in most cases till 1884, while from the farm accounts of tenants the first heavy drop in rents would seem to have been in 1886 and 1887. And it appears from his report that great numbers of tenants had been ruined, and frequent and sweeping changes of tenancy had occurred before the heavy reductions were made. The estates held in Essex by Guy's Hospital have dropped in rental from 12,883*l.* to 6,771*l.*, but the drop in 1879-80 was trifling, and it was not till 1885 and 1886 that a substantial fall came. On their Lincolnshire estates rents of 49*s.* an acre in 1879 did not fall below 40*s.* till 1883, and had not in 1893 fallen below 33*s.* 6*d.*, a higher rent for the same land than before the corn laws. Rents not reduced soon enough. Wilson Fox, Lincoln, p. 51. Punchard, 15,162. Rew, Dorset, p. 23. See also Pringle, Beds, Northants p. 8.

A Scotch witness gives the probable explanation of this:—"Many farmers submitted to severe losses on the faith that possibly better times might come, and a large number were obliged to succumb after their capital was almost exhausted." Flockhart, 52,726.

Mr. Huskinson says of a Lincolnshire estate:—"Matters continued steadily there up to 1887, and the reason was that the tenants were all men of substance and capital, and they bore the loss for some considerable period without troubling the proprietor." In 1887 there had to be a reduction of 40 per cent., and "since then it has been rather a serious case all through." 785.

Lord Wantage thinks that the hope of times changing and the help of bankers kept tenants going on at the old rents. 4,599, 4,600.

Mr. Boyd Kinnear says, "The depression fell in the first instance upon the tenants. Undoubtedly, until rents were reduced, they lost heavily." 50,948.

Mr. Bamford:—"Reductions were not made soon enough, and thus the farmers as a class lost their capital in a great measure." 14,811.

Mr. Turner reports of the Frome District complaints that reductions did not come soon enough to save the original tenants.

One of the farmers quoted by Dr. Fream says: "Good farmers have not been sufficiently well treated and met by the landlord, and so long as any balance was thought to be at the bankers, no reduction was made, and even after, not considering whether or no the farm paid any interest on tenant's money." Fream, Andover, p. 5.

Mr. Clare Sewell Read says: "Some of the larger landlords hardly reduced the rents in time. I got into a terrible row some years ago, when I was a Member of Parliament, because I advised the landlords to make those concessions to the old tenants that they were forced to make to the new ones; but some of them did not take my kindly hint, and on those estates there has been a considerable change of tenancy; but upon the others, I am happy to say, that timely reductions have kept the tenantry there."

Mr. Johnson (Suffolk) says that in many cases the application of old tenants for a reduction of rent to meet fall of prices has been refused, the landlords thinking the land worth more or that the tenants could tide over, or being unwilling or unable, with the consequence that the old tenants have to go and a much less rent is taken from new men. 7,812.

Mr. Bear says: "Many of the old tenants were not allowed any reductions in rent till they were ruined, and then the reductions were given to new men. It has been a great complaint in many counties that the reductions were not made soon enough, and that the farmers lost their capital before the reductions came to help them." 27,732.

51,858, &c.

In Banffshire, Mr. Stuart mentions an estate where the old tenants were refused a reduction, and 6 out of 14 became bankrupt, while the farms had to be relet at over 30 per cent. fall in rent.

McConnell,
55,391.

In Wigtownshire many farms are said to have been relet at heavy reductions, which were refused to old tenants, some of whom were then ruined.

Spencer, Ox-
fordshire,
Gloucester-
shire, &c.,
p. 20.

Mr. Spencer quotes the opinion of a Gloucester witness that "if reductions had been made, as they ought to have been made, many tenants would have been able to continue their holdings." The course of events is vividly indicated: "Unfortunately, for many years, no reduction was made, the landlord being of opinion that the depression was only temporary, but as prices continued to fall abatements were made. The farmers, thinking times would improve, continued on at the old rent, got into debt, borrowed money. Still times did not mend. The land became depreciated in consequence of dismissed labourers, the produce became less, and at last the only alternative was to become bankrupt, and give up. This is the case in many instances."

Fream, An-
dover, p. 5.

Dr. Fream reports complaints that "the tenants had borne the brunt of the bad years, and now, when too late, the landlords were offering reductions, which at an earlier stage might have saved tenants from collapse."

Conclusion.

142. The consideration of evidence of this nature taken by the Commission and of the results of the local inquiries by Assistant Commissioners, makes it clear that, while some landlords probably met the depression from the first in a generous and enlightened way, and while on a small number of great estates reductions were not immediately necessary because the rents had not been raised in the time of highest prices, in a large proportion of cases, especially in the counties most severely hit by depression, substantial reductions only began when considerable numbers of the old tenants were either broken and had to leave, or reduced to such a position that the reductions were unavoidable, and were generally too late to keep the old tenants going.

It may not have been possible to forecast the consequences. Still, we have Mr. Read's and other evidence to show that fair warning was given by some sagacious agriculturists.

Reductions
obtained more
readily by bad
tenants than
by good tenants,
and by new
tenants than by
old.
A. Spencer,
Oxfordshire,
Gloucestershire,
&c., p. 20.
Rew, Dorset,
p. 28.
Wilson Fox,
Garstang, p. 17.
Rolleston,
18,654.
Hope, 12,233.
Carrington-
Smith, 9705.

143. The complaint is very general, both in the evidence and in the reports of Assistant Commissioners, that the farmer who farms his land liberally and well does not obtain a reduction of rent to the same extent that the farmer with little capital who farms badly does, and this acts as a premium on bad farming.

The only weapon a tenant has to obtain a reduction of rent is the notice to quit. There is much evidence to show that this has been ineffective to obtain adequate reductions for old tenants in time, and that it has been found more than useless in the case of men who have expended much money and skill, and labour, in maintaining or increasing the productiveness of their farms.

The farmer who has run down his farm and exhausted its fertility can lose nothing by quitting, and therefore serves his notice. The farmer who has farmed well has a continually increasing stake invested in his holding, and has formed business connexions which it would take him years to build up in a new neighbourhood. In general, all he has is in the farm. His losses in removing, even in good times, would be a deterrent, in bad times, when everything is sold off at the worst, are absolutely prohibitive. The compensation for his improvements, which he might receive under the existing Agricultural Holdings Act or custom of the country, would cover but a fraction of the loss. His motives, therefore, for abstaining from giving notice for a reduction are overwhelming, and it is clear from the evidence that in most cases these motives have made tenants acquiesce in rents which deprived them of profits, and in many cases gradually elbowed them out of their farms, if not actually ruined them.

27,733.
Wilson Fox,
Lincoln,
p. 15.
25,857.

Illustrations.
17,414.

17,585.

13,773-6.

144. To take a few of many illustrations. Mr. Rowlandson says:—"Tenants who have farmed highly have suffered more than those who have not, because in many cases they have not got that proportion of reduction of rent which some of those who farm badly have received." "Advantage has been taken when the farm is in a good state, where the tenant will not leave if he can come to any reasonable terms."

Mr. Hutchinson (North Riding), who won the first prize for the best managed farm at the Royal Agricultural Show, 1883, says:—"I know that the men who farm the best, get the least. In the case of the estate I am on, I get the least reduction of any tenant, because I farm my place well. I have invested a lot of money in it. Because I farm my land well, I dare not give it up in order to try to get the rent reduced, because there are plenty of men who would take it at any rent. They would take it to get the money out of it."

Mr. Riley :—"The good tenants are suffering more than the bad ones, for if a good tenant, who has been farming very high, gives notice for a reduction of rent of his farm there would be no end of applications for it; so that he dare not give up a farm now, he would rather lose a little more capital than give it up."

Mr. Lander :—"Agents do not sufficiently consider the case of old tenants. In many cases they let the old tenant go, and put men in without sufficient capital, or other qualifications, to farm in the best way. This is often done to keep up a standard of rent, which they can quote to other tenants."

Mr. Wilkinson :—"What we complain of in Northumberland is this—that the sitting tenant, perhaps, has farmed his farm well and cannot get as fair a bargain for that as does the man who farms his farm badly." In his opinion tenants who have large interests at stake in their land are at the mercy of the agents, both as regards rents and agreements as to mode of cultivation. He was told "to sign an agreement, or leave the farm." He gives, as an instance of the position in which the tenant stands, his own case as a sheep farmer. It takes a number of years to get a proper stock together, and I do not consider it fair to have my stock forced upon the market at an inopportune moment. My own agent said to me once, 'You cannot afford to sell your stock in these bad times,' and I say he has no right to exact rent from me under these conditions." "The sitting tenant cannot get the same reduction if he has his farm well stocked as the man can who farms his farm badly."

Mr. Olver (Cornwall) :—"If the tenant farmer improves his farm and wants a reduction, the landlord replies 'I can make no reduction, your farm will always make its money.' But if he racks his farm and goes to his landlord, the landlord sees that he cannot make the rent and makes the reduction; this hardship to the improving farmer is strongly felt all through our county, that the good farmer is not properly secured." The same witness points out that the improving tenant has also to pay higher rates in consequence of the refusal of a reduction.

Mr. Kidner, who himself felt compelled by his interests at stake in the holding to renew his father's lease at a greatly increased rent, and with conditions which made it difficult to work the farm at a profit, thinks that considerations of this kind, and the losses by removal, prevent tenants from being free agents in beginning.

Mr. Pringle, as the result of his enquiry in Beds, Hunts, and Northants, believes that since 1879 there have been very many examples of cruel injustice accidentally inflicted on tenants who were apparently hardworking and conscientious." The tenant who has worked a farm for years and paid rent for years is a better judge of what is a fair rent than the landlord. When bad times come and grow worse, such a tenant asks for a moderate reduction and is refused. He goes on—"during the last 14 years on encumbered and badly managed estates, old tenants have been got rid of because the rent which they considered fair was not so regarded by the landlord or his agent. Others have been leant upon because they were known to be well to do, attached to their farms, and accordingly likely to pay excessive rents rather than leave." Farms so vacated have been worked by the owner at a loss, or let to some new man, with the result that the rent promised was not paid in full, and the farm deteriorated. Again "so many cases were related to me of big reductions having been made to new tenants, and even to sitting tenants who had let their farms down but either refused *in toto* or extended in lesser quantity to the better class of tenant, that it is clear the latter is helpless. Under present conditions the landlord is at the mercy of the unscrupulous tenant, but has the honest upright man in his clutches. At present there is, on many estates, a distinct penalty attached to good farming, and a clear incentive to bad farming."

Mr. Rew reports a striking case from Devonshire. An occupier of 500 acres for 35 years had his farm on lease till five years ago. It was then revalued by a well-known valuer at 520*l*. But the agent compelled the tenant to pay 570*l*. on renewal (yearly agreement). The last three years an abatement of 10 per cent. has been granted, but a permanent reduction of 15 to 20 per cent. is refused and the tenant told he may go.

Mr. Cooke gives the case of two farms in Cheshire. In one the old tenant left and two successive new tenants have got reductions and heavy outlay by landlord in improvements. On the adjoining farm, where the tenant has been improving all the while, he cannot get a reduction at all.

In a case like this, it is plain that the good tenant has not only been paying too much, but has been paying for the losses caused by the bad farming of his neighbours.

"The new tenant need not come unless he likes, but the sitting tenant is not in the same position, because it costs him so much to move." "Between 1879 and 1882

- landlords did not like reducing to sitting tenants, but they soon began to find it cheaper to make reductions, as new tenants want so much new building."
- W. Fox, Suffolk, p. 26.
Rankin, 5773-4.
W. Fox, Lincoln, p. 18.
- From much of the evidence it appears probable that this lesson has been widely learned by landlords and agents, especially in the worst districts, and further that on some estates a wiser policy has been consistently pursued, while there seems no reason to doubt that, in intention, the best landlords have wished to deal impartially with tenants on the merits of the case.
- Mr. Tindall says of Lord Yarborough's estate in Lincolnshire, "Nothing is ever done on this estate for a new tenant which is not done for an old one. I should think it a lasting disgrace to let an old tenant go and take a less rent from a new one."
- But from the dates of reductions and from the evidence as to sweeping changes of tenancy, this wiser and more equitable view of things seems to have been arrived at in most cases far too late to help the majority of the old tenants.
- Scotch witnesses.
Dun, 53,296.
53,619-20.
53,621.
54,540-1.
145. The Scotch witnesses who generally deal with the system of 19 year leases are equally emphatic on these points.
- Thus, Mr. Dun: "A tenant with his farm run down had no difficulty in taking it again, but the tenant with his farm in a high state of cultivation was not able to renew his lease till within a few months of its expiry."
- Mr. Guild, a land agent: "I have known of cases where the rent was raised on the sitting tenant because of the extra condition of the farm; he is told that if he cannot pay such and such a rent, they can get another man who will. 'Pay the rent or go' are the terms."
- Mr. G. Riddell says a good landlord may be willing to agree on fresh terms some time before end of lease. "But if a landlord is keen and wants to get all he can get, the chances are, if the farm is in very high condition, he will take advantage of the fact. At least that has largely been done in Scotland."
- Confiscation of tenants' improvements in rents.
Gillespie, 50,851.
Forster, 32,362.
Punchard, 15,021.
Sir James Caird, letter to the Times, May 17, 1883.
21,664-5.
32,363-4.
58,242.
51,745.
51,747.
146. The inclusion of the value of tenants' improvements in the rent demanded for farms is necessarily part of the same subject. Withholding such a reduction from the full rent of a farm as will leave the tenant a fair return from his outlay is clearly appropriating the tenants' improvements just as effectually as a direct raising of the rent upon those improvements would be.
- This grievance is complained of by many witnesses, both in the form of raising the rent on tenants' improvements—now relatively infrequent—and in the form of refusing the reduction which would protect the tenants' interest.
- The best type of tenant is the man who has treated his "land as his bank; as a rule, when he makes money he puts it into his land, thinking he is going to get it out again." Or, as Mr. Punchard puts it: "In the old times when they made any profit they spent it on the farm in improving it, and so they gradually got their farms up to a higher condition."
- This is exactly the type of tenant who most needed protection in the view of Sir James Caird, urged in 1883, and this is exactly the type of tenant that, according to the uniform tenour of the evidence, has had, in this worst stage of depression, no security whatever, except the spontaneous goodwill of those landlords who understand and sympathise with their claims, and are themselves in a position to give them full protection.
- Mr. Sheldon gives the case of an old tenant in Derbyshire, who doubled the carrying capacity of his dairy and stock farm by repeated applications of bones and other manures during 30 years, with the result that his rent was raised in spite of promises that it should not be raised.
- Mr. Forster, who had by heavy outlay raised his farm to a high state of cultivation, complains that he could not get the return he was entitled to. That is why I had to leave that farm. They wanted me to pay on my own improvements. They would not bring the rent down to the rent it would have been if I had not had the farm in that high state."
- Mr. Nunneley points out that where tenants' improvements prevent rent falling—"say a farm is let at 1*l.* an acre, which otherwise would come down to 10*s.* but for the tenants' improvements"—he is entitled to have their value considered in fixing a new rent on renewal of a tenancy.
- Mr. Black holds that "much of the injustice that tenants have suffered has been by putting a rent upon the tenant at the renewal of a lease, based upon improvements carried out with his own labour and his own money." . . . "The rent should be fixed not upon the farm as it is improved by the tenant's labour and outlay, but upon the farm as it would have been without these improvements." This is justice, but

"the practice has been, as a rule, that the proprietor, either through his factor, or through a professional valuator, has put a rent upon his farm, and the sitting tenant has just the option of taking it at that rent or leaving."

Mr. Wilkinson puts the case of tenant farmers very clearly. While he repudiates the landlord's claim to sell the use of his land to the tenant for the best price he can get, the market price, he equally repudiates the Irish notion of joint ownership; "but," he adds, "I hold that the landlord should not have my improvements or live on my capital any longer. . . I want to have our landlords deal more fairly with sitting tenants, and sitting tenants should not pay rental upon what they have done upon their farms." "What belongs to the landlord let him sell at the best price, but he has no right to sell what belongs to the tenant."

Mr. Scott: "Men do not farm as high as they would if they had more security. At present their everlasting fear is that the landlords will reap the benefit of their expenditure. What we want to do is to prevent men feeling that others may reap what they sow."

Many other illustrations are to be found in the evidence and reports, but these sufficiently indicate the vitally important issue raised by many of the most energetic and capable agriculturists of the now occupying farms.

That issue is that when the terms of a new letting of a holding are considered, and the new rent fixed, the new rent ought not to include that portion of the letting value which is due to the tenant's improvements, unless the landlord has paid for the improvements. The injustice of including in the rent the tenants' interest in his improvements, where the improvements were of a permanent character like buildings or drainage would be obvious, and such improvements, where made by the tenant, are sometimes protected by agreement. But it would appear from the evidence that in the case of high continuous cultivation increasing the fertility of the soil, the improvements are usually ignored, when rent is reconsidered on a renewal of the tenancy, and the tenant is too frequently charged the full sum his farm would fetch in the market.

147. This complaint is usually met with the arguments (1) that the tenant, if he remains on the holding, has the enjoyment of the improvements, and thus reaps their full remaining value in the operations of farming, and (2) that in these times of depression, and of approximate bankruptcy among agriculturists, landlords are obliged to accept any terms in order to retain old or get new tenants, and that therefore the farmers are masters of the situation.

But if the landlord, in readjusting the rent on renewal, charges the tenant the full annual value, including the annual value added by the tenant himself, without paying some equivalent for the latter, it is absurd to contend that the tenant is left in the enjoyment of that annual value. On the contrary, the tenant has first paid out of his own pocket the cost of the improvement, and is then asked to pay a second time in the rent for the improvements. His reward for improving his farm is, that his natural disinclination to leave is made the screw by which to force him to pay interest on his own outlay to the landlord instead of receiving, as he justly ought to receive, a fair return for his own money.

The second reply to this complaint is beside the point, because it assumes that what is quite true as to deteriorated farms is also true as to farms which have been kept in high condition. No evidence has been brought before us to show that in regard to farms of this class even in the worst districts, the old tenant is in a position to dictate terms. The only perfect freedom of contract exists in the case of practically worthless farms, which have been thrown up in despair. Even in Essex there have been as to farms in high or good condition some tight bargains both as regards rents and conditions. For farms in high condition even a new tenant is not able to make his own terms anywhere. "There is strong competition for good farms even in these days of depression." Even in the case of a new tenant before he starts "a man is not in a position to make a fair bargain. A man who wants to make a strong bargain is often kicked out of our county."

But in the case of an old tenant and a highly improved farm there is not a shadow of freedom of contract. He, probably enough, on many estates, managed on just and liberal lines, is perfectly safe so long as the policy of the estate remains the same; but he has no security, and is in no position to bargain. The more capital he has sunk, the more he dreads being turned out, and the more he is disposed to acquiesce in a rent which, in practice, transfers his interest in the holding to the landlord's pocket. The better tenant he has been, the less strong is his position. If he serves a notice to quit, the higher the condition of the farm, the more certain he is to be cornered by the fact that others are eager to reap the fruits of his efforts.

W. Fox,
Glendale,
p. 13.

Carrington-
Smith,
Kidner,
Wilson Fox,
Garstang,
pp. 22, 26,
27.
Wilson Fox,
Glendale,
p. 13.
Rew,
Pringle,
Sheldon,
Long,
Bear.

Replies to
complaints.

Rankin.

Wilson Fox,
Suffolk,
p. 20.
Cambridge,
p. 19.
Lincoln,
p. 17.

Long,
25,730.

Wilkinson,
31,511-16.

CHAPTER IX.

COMPETITION AND RENT.

Competition in
its relation to
rent.
Strutt, 13,841.
61,460.
Matthews,
Pringle, Beds,
Hants,
Northants, p. 23.
Biley, 36,509.
Eldes 11,54,668.
Guild, 53,568.
Mitchell, 54,283.
Speir, Ayrshire,
&c.
Ferguson, 23,106,
&c.
Hutchinson,
23,505-11, 24,397.
McConnell, 55,334.
Wilson Fox, 9219.
Garstang, § 10.

Wilson Fox,
Garstang, p. 17.

Causes of
competition.

22,844.
Wilson Fox,
Garstang, p. 12.

Pringle, Essex,
p. 14.

Pringle, Essex,
p. 13.
Pringle, Beds,
&c., p. 12.
Hope, Roxburgh,
&c., p. 21.
Dunn, 53,539.
Sparkes, Gilles-
pie, 50,848-9.
Wilson Fox,
Glendale, p.
Hindmarsh of
Hiderton.
Scott, Wilkison,
31,510.
Speir, Ayrshire,
&c., p. 9.
Hope, Roxburgh,
&c.
Wilkinson,
31,639.
Black, 51,574-6.
Guild, 53,565, &c.
53,847, 22,842,
22,837.
47,843.

54,581.

Kidner,
2742.
Hutchinson,
43,749.
Peile, 52,173.
Olver,
37,685.
Davidson,
51,026.
Riddell,
54,668.

Results of
competition.
McConnell,
55,265.
54,218.

148. This leads naturally to the consideration of the evidence as to the bearing of competition upon rent. There can be no doubt from the facts before us that, except in a few of the very worst districts, there is competition—in most districts considerable competition—for farms and that even in the very worst districts there is competition for good farms. It would, in our opinion, be misleading to take the degree of competition as a measure of depression, and to assume that keen competition necessarily shows that farmers have overcome the difficulty of making ends meet. The evidence from Scotland shows that while on the one hand prices are much lower than they were five or six years ago, and profits have practically disappeared, competition has greatly increased. The same state of affairs is reported by Mr. Wilson Fox from Lancashire, where plenty of men compete for farms and bid the old rents, even when the outgoing tenant has failed to make farming pay.

“Notwithstanding that farms will fetch as much in the market, and in many cases more than is being paid, it is almost the universal opinion among the farmers that, if prices continue as they are, and rents are not further reduced, farmers cannot keep their heads above water.”

149. Though part of the competition may be due to a conviction that things are in process of readjustment, and that chances are on the whole more favourable, there are other obvious causes.

One reason must be satisfactory in the interest of agriculture. There clearly are still many men about who have been brought up to agriculture, and wish to pursue it. We have not exhausted the stock of the well-trained sons of good farmers. The emigration of farmers from Scotland and Devonshire to the depressed districts in England, and the fact that even in Essex there are fewer unoccupied farms now than six years ago, proves that there is an ample supply of working farmers.

Further, there have been, and still are, all over England, and notably in Scotland, considerable numbers of men, some of whom know something of farming, others next to nothing, who have made money in other callings, and deliberately take farms because they prefer a country life, and without much anxiety as to commercial results. In many cases these men have burned their fingers, but their competition has tended to keep up rents.

Thus Mr. Speir mentions of Nithsdale that out of 172 new tenants no less than 53 were bankers, merchants, or others entirely unconnected with agriculture.

To some extent, too, competition is increased for farms from the narrow margin of profit in nearly all industries, and the uncertainty of profitable openings abroad.

Again, the number of exhausted and useless farms, steadily on the increase, has directed competition towards farms in good and workable condition, from which there is still some chance of profit. “A well farmed place is lettable still, and it is even more lettable because of the large number that are not well farmed.”

Mr. Riddell: “The good farmer is placed at a disadvantage, because at the end of his 19 years’ lease, if a farm is in very high condition, it makes a good many others covet it, and the landlord very often too.”

Much of this competition is dishonest. Men are ready to offer a high rent for a farm which has been well worked for years, with the deliberate intention of exhausting the fertility, and thus compelling a reduction of rent when the farm is ‘run out.’ Such ‘land suckers’ outbid the old tenant or the honest new tenant, and ultimately help to bring down the landlord too.

In Scotland, “at present, under the new leases with breaks at five years, there are a number of men who offer for farms in good condition, on the chance of leaving at the end of five years, and taking all they can out of them. These men compete with good farmers, and offer rents which the latter cannot pay.”

150. A Wigtownshire farmer says in despair about technical education and scientific farming: “If you are able through improved methods to raise prices, ultimately that will all go into the pockets of the landlords through competition.”

Mr. Ballingall (Fife): “Good land I have known gone down almost to wreck from the system of taking the highest rent. I believe in time that no more will be got for land than can be got out of it. By rack renting you take away a man’s hope. The first thing that suffers is the land.” This is confirmed by Mr. Riddell, who says that “farms let ‘at the point of the sword’ have, in the end, had a vastly greater fall in rents.”

Again: "I have known plenty of cases where farms have been let at from 10% to 15% over the head of the old tenant, where there was no sufficient reason. There are plenty of good landlords. It is the middling class of landlords I am speaking about. The landlord is in a very different position to screw rent out of a farm when it is in high condition." In his own case, Mr. Riddell, who had enormously enriched his farm, was not allowed to renew it on valuation, but was told he must compete with the rest, or "bundle and go."

54,704.

The enormous number of changes of tenancy in the South-West of Scotland is certainly due largely to rack renting, eating up all possible profits. The balance sheets attached to Mr. Speir's report show, he says, "that notwithstanding the capital invested, the remuneration of the average farmer of moderate means is no greater than that of a first class artisan." "Next to low prices, the most potent cause was generally considered to be the unwarrantable competition which exists among farmers themselves."

Speir, Ayrshire, &c. p. 7.

Speir, Ayrshire, p. 5.

"The competition is so great that the difficulty of landowners and factors is not to take unreasonable rents."

55,333.

Competition has also been deliberately stimulated. Mr. Ballingall: "In former times it was not unusual for unfair means to be used when an estate was to let to induce one offer and then another to get the highest possible."

Ballingall, 54,218.

Mr. Rew states that at present in North Devon a practice is complained of of "offering the farms by tender, and then selecting a tenant, and endeavouring to induce them to give the highest bid."

Rew, N. Devon, p. 17.

151. It is of course natural to say that the tenants are to blame for their own folly.

"The farmers were themselves to blame for raising the market price of the rent to a fictitious value." And again, "It is the tenant's fault that rents are high and not the landlord's, because tenants will bid against each other."

Rack renting through competition not the fault of the tenant.

In this opinion I cannot concur. It can never be to the real interest of the owner any more than it can be consistent with justice for a landlord to charge a rent for agricultural land which he knows cannot be made by the produce of the land. He ought to be perfectly aware that the offer of an excessive rent must be either dishonest, reckless, or ignorant, and that the temptation of a temporary gain in times when the possible margin of profit is narrowed to a minimum, will be dearly bought by injury to his estate, as well as loss to the offerers. The tenant farmer is not to blame, if finding others are trying to get the same farm, and knowing that his only or best chance in these times is to secure a good farm, if possible, out of which he can get some immediate return, he is compelled to overshoot the mark and bid a sum which handicaps his own chances heavily and perhaps strangles half-a-dozen other struggling men. The landlord is to blame for ignoring the sound principles which in the end are his own best protection as well as the tenant's.

Wilson Fox, Garstaug, p. 17.
Rew, North Devon, p. 17.

Mr. Gillespie, who has advised and occasionally acted for landlords, says: "I had one instance where 30 per cent. more was offered for a farm. I never looked at the offer, because I thought it was far too much." The theoretical justification to the landlord who takes the highest bidder, is that "he gets it valued by the public, and he presumes these practical men know their business."

Gillespie, 50,838.

50,844.

It is unfortunately established that in Scotland, Devonshire, and other districts, the system of encouraging competition to the utmost by letting farms on the tender system is widely prevalent, and in some parts almost universal.

On the other hand, the best landlords and the best agents repudiate this policy emphatically, and it is certain from the evidence that on some, if not a majority, of the best managed estates it is the definitely announced policy to let farms on valuation and to select tenants mainly on the grounds of capacity, capital, and to some extent of hereditary and local claims.

152. Mr. Punchard, says: "The larger landowners have been in the habit of having their farms valued periodically, and let upon that valuation. On the other hand, the small or middle class owner has been in the habit of letting his farms by tender. Of course, where farms have been let by tender, the rents have gone up very much more than where they have been let upon a valuation."

Disclaimed by many landlords and agents. 15,013.

"One landlord may say, 'I do not want the farms put up to their value; I am content to take 10 or 15 per cent. less than the top market price.' Whereas another man, who may from necessity be obliged to get the last penny he can, will naturally say: 'You must let the farm by tender, and get as much money as you can.'"

See also 15,252-4.

Mr. Gilbert Murray says that, although there is much competition for farms in Derbyshire, especially on good estates, farms are not put up to auction, nor let to

5436.

the highest bidder; the rent is determined by expert valuation based on the current values of the produce.

5481.
Wilson Fox,
Garstang,
App. B. 6,
p. 53.

On the Holker estates in North Lancashire rents have remained unchanged since the valuation made in 1826. "The large farms are still paying rent on the old valuation. In a few cases the rents have been reduced."

17,265,
17,345, &c.
22,605,
22,713, &c.

Sir Massey Lopes, even in Devonshire, has not let his farms by tender, his rents are moderate, and his tenantry go on from father to son.

22,686.
22,709.
22,603.
22,705.
30,448.
30,367.
30,372-4.

The Duke of Richmond, who goes personally into every detail of his estates, takes the best evidence available, and then fixes the rent himself at what is, in his opinion, absolutely fair. "I should offer it to the old tenant at the rent which I considered, after consulting with my factor and commissioner, was the rent which ought to be paid, and if anybody else offered to give me a larger rent I should not take it . . . I should think that he did not know so much about it as we did." He is strongly against letting by tender. "I think it would be fatal to set them bidding against each other." The tenantry have thrived and remained from generation to generation.

30,485-7.
30,488, 9.
30,398.
30,400.

The evidence of Mr. Muirhead, agent to Lord Aberdeen, is important on these points. On the Haddo Estate, which seems to have been always moderately rented, a re valuation by arbitration was offered the tenants in 1886, and carried out on about one-third of the estate. The new rent was fixed for five years at a reduction of 23 per cent., and in 1890, things being better in that district, half of this reduction was withdrawn. At the end of a lease the farm is offered to the sitting tenant at a valuation which is based on the quality and fertility of the soil, the character of the buildings, position as regards railways, &c. It is only when farms are definitely given up that offers are received from outsiders, and the highest bidder is not taken, but the best qualified farmer. Small increases of rent in the last two years have occurred, but the changes of tenancy are extremely small, the old tenants remaining on.

The principle that a real valuation should be the basis of rent occurs again and again in the evidence.

6127. Thus Sir Michael Hicks Beach had his estates revalued in 1855 on the basis of the prices of the chief commodities produced on his farms at that time. His farms, with one or two exceptions of changes of tenancy, remained at that valuation all through the times of inflated prices, were then very heavily reduced immediately after the losses of 1879. And now Sir Michael says: "My rents are infinitely below the point at which they were fixed by the valuation of 1855, and have been reduced in much greater proportion than the per-centage of fall of prices. In making reductions, landlords have to consider a great many other questions besides the question of prices."

6129.
6131.
6132.
6133.
Mr. Murray's
suggestions.
5141, &c.
Gilbert
Murray,
5231, &c.
5256-8.
Vol. I., App.
A., XVIII.
5144.
5410.

153. Mr. Gilbert Murray, in his interesting evidence, proposes as a solution which, in his opinion, would settle the land question for 50 years, a general revaluation of all holdings, based on products and prices. The gross returns of a farm are obtained by taking the average of each kind of produce, having regard to the rotation of crops observed, cereals with their straw, beef and mutton, wool and milk, the quantities being then put into their money equivalent in the current market prices. From the gross returns so determined you are to deduct the whole cost of production, including labour, horse labour, seeds, insurance, depreciation on implements and machinery, and 5 per cent. interest on an average of 8l. per acre capital as tenant's remuneration. The balance left is to go to pay rent, tithe, rates, and taxes. It will be at once noted that Mr. Murray's estimate for tenant's outgoings is obviously lower than in most of the farm accounts given in the evidence and reports. Mr. Murray's proposal is that, this valuation being settled, rents are to fall or rise by a sliding scale based on prices.

5473.
Speir,
47,040-3.
5510.
5475.

The principle of valuation suggested is clearly sound, though it should not exclude variations from considerations of accessibility to markets and many other matters. But the principle of a sliding scale has not been accepted by the tenants with whom Mr. Murray is specially connected, and does not seem to have succeeded in the cases where it has been tried, and, in its older form of corn rents, has practically been discarded. In some instances this has probably resulted from too high a valuation being adopted as the standard from which to start. But it may be doubted whether, even with the lowest and fairest valuation to start from, the automatic reduction of rents in proportion to prices, could be got to work justly and smoothly in these tumble-down times.

Conclusions. 154. In conclusion, competition cannot be regarded as a fair instrument for determining the value of agricultural land. The abuse of competition must inevitably transfer to the owner, one by one, every advantage which the farmer obtains in

earning profits, either by his own skill and enterprise and outlay, or by improvements in agricultural methods and science, or by relief from local or other burdens, and must constantly tend to cut down the capital of the farmer to the narrowest margin at which he can be induced to go on living and working on his farm, and must, as it destroys hope and effort, tend to weaken and deteriorate agriculture. I see no reason why the wise and generous policy, adopted by some landlords, and shown to be to their interest as well to their tenants by the history of their estates, of fixing a fair rent for agricultural land based on the quantity and current prices of produce, should not be made general. Parliament could render no greater service to agriculture than by facilitating this satisfactory result.

CHAPTER X.

THE RELATION OF RENTS TO LANDLORD'S IMPROVEMENTS, THE CAPITAL VALUE OF LAND, AND TO MORTGAGES AND INCUMBRANCES.

155. The relation of the outlay by landlords in permanent improvements and repairs has a material bearing on rents.

Landlords' improvements.

The evidence brought before us, though conflicting on some points, shows generally that the expenditure by many landlords, and especially the owners of large estates has been heavy and continuous for many years.

By many witnesses it is stated that this expenditure has increased rather than diminished since agriculture began to decline, except on small estates, or where the owner's income is wholly drawn from his agricultural land.

In the good times, not only in Wales, but in many parts of England, and frequently in Scotland, a proportion of the permanent improvements—not large or constant, but occasional and irregular—was carried out by the tenants themselves.

"Frequently on the larger farms, in the good times, when money was plentiful, tenants put up a shed or other building without even asking their landlord to do it, and as for the smaller repairs, the landlords were never troubled about them."

But since depression set in, tenants have generally ceased from any such outlay, and the whole expenditure on improvements, and also most of that on repairs previously undertaken in their agreements by tenants has come upon the landlord.

Further, on changes of tenancy, new tenants have asked for much more in buildings, drainage and other improvements and equipments for stock, dairying, and other modifications of farm working. And the evidence is uniform that with the fall in agricultural prices, there has been a rise in the cost of building operations.

156. It may be doubted, for reasons stated later, whether there has been an increase in the outlay on improvements since the more acute period of the depression. In some cases exceptional efforts have been made to restore estates to a sound condition, but in general we believe the impression of some witnesses that there has been greater outlay as depression deepened is due to the fact that there have been since 1882 and 1883 successive breaks down of tenants in many districts, and that the new tenants who took farms on the changes of tenancy have very naturally insisted on having better equipment of the holdings in order to have some chance of doing better than their predecessors.

Mr. Wilson Fox is probably interpreting the facts correctly for the country generally as well as for Lincolnshire when he attributes the outlay on improved buildings to "the fact that both sitting and incoming tenants have asked for more, both in enlarged and extra buildings and in repairs, to which requests the landlords have had to accede, sometimes to retain, sometimes to acquire tenants."

I have already given reasons from the evidence for thinking that most of this expenditure has been for new tenants.

157. The proportion of gross rents returned to the land in the shape of buildings, drainage, and other permanent improvements and repairs on many large estates varies somewhat, but this variation is in some cases probably due to the fact that estates that have been uniformly well managed and kept up, require less annual outlay, except where some considerable change is made in the methods of farming.

The amount expended in permanent improvements and repairs on some large estates is as follows:—

Lord Derby, in South-West Lancashire, on 43,217 acres has expended 200,000*l.* in 12 years, or 16,500*l.* or 7*s.* 8*d.* an acre each year.

Lord Sefton, on 18,000 acres, 286,000*l.* in 22 years, or about 13,000*l.* and 14*s.* an acre each year.

A. Spencer, Oxfordshire, p. 20.
W. Fox, Glendale, § 12, p. 7.
Pringle, Beds, Hunts, Northants, p. 29.
Rankin, 5580-1. 5785-7.
Colonel Hughes, 55,715.
Punchard, 15,021.
Stuart Smith, 54,182.
Wilson Fox, Lincoln, § 19, p. 14.
Huskinson, 1090.
Pringle, Beds, &c., p. 29.
Kingscote, 41.
A. de B. Porter, 438.
Collins, 37,178.
Olver, 37,508.
W. Fox, Lincoln, § 20, p. 15.
Wilson Fox, Lanc., p. 7, 8, &c.
Wilson Fox, Lincoln, p. 14.
Lopes, 17,049, 17,187.
Muirhead.
Inferences as to true cause of expenditure since the depression began.

Wilson Fox, Lincoln, p. 14, 15.

See pars. 69-73.

Illustrations.

Wilson Fox, Garstang, p. 7, 8, &c.
Pringle, Bed, Hunts, Northants, p. 45, &c.
p. 29.

Wilson Fox, Garstang, p. 8.

Do.

On Mr. Talbot Clifton's agricultural property of 16,000 acres, 5,000*l.* a year or 6*s.* 3*d.* an acre for half a century past.

Wilson Fox,
Garstang,
p. 8.

Mr. Turnor, on 21,000 acres in Lincolnshire, where the net rental has sunk from 21,327*l.* in 1877-8 to 8,754*l.* in 1893-4, has spent about 5,000*l.* a year sinking in the last few years to about 3,000*l.*

Wilson Fox,
Linc., p. 54,
14,576.

On the Earl of Ancaster's Lincolnshire estate of 53,993 acres, 689,197*l.** has been spent between 1872 and 1893, or at the rate of 31,327*l.* and 11*s.* 7*d.* an acre each year. The total gross rent received on this estate for the 22 years was 1,565,213*l.* The remaining landlord's outgoings for tithe, land tax, owners' rates, management and miscellaneous outgoings (the last item as much as 174,512*l.*) were 350,354*l.* The net income, after all deductions, was on the average 23,900*l.*, or about 9*s.* an acre, and in 1893 was only 14,394*l.*, or about 5*s.* 6*d.* an acre. In 1876, the year of highest receipt of rents, the per-centage for improvements and repairs was 36·92, in 1893, 37·37, showing undiminished proportionate outlay.

Wilson Fox,
Lincoln,
p. 53.

On Lord Yarborough's estate, of 54,139 acres, 98,391*l.* was spent between 1879 and 1893 or about 6,550*l.*, or 2*s.* 9*d.* an acre each year.

Pringle,
Beds,
Hunts,
Northants,
p. 29.

On a large estate in Northants, the average annual rent from 1858 to 1878 was 45,536*l.*, and the average outlay on improvements and repairs was 8,334*l.*, or 18 per cent. of the annual gross rent. But for the years 1891, 1892, 1893, the average payments are 10,432*l.* on an average gross rent of 31,320*l.*, or 33 per cent. There has thus been an increase of over 23 per cent. in the expenditure in the last few years, and the amount of gross rent which is assigned to these objects has nearly doubled. The net agricultural rental has fallen from 27,194*l.* in 1885 to 11,900*l.* in 1893.

On another large estate which has always been low rented and excellently managed, between 1881 and 1893, out of a gross rent received of 220,787*l.*, the sum of 59,440*l.* was expended, or an average of nearly 27 per cent. of the gross rent. On this estate a comparatively heavy outlay was incurred between 1880 and 1886 on drainage to restore the condition of the land after the wet seasons. The result of this prudent management has been that the net rental between 1887 and 1891 was 15 per cent. higher than in 1881, and even in 1892 and 1893 is still considerably more than half the gross rental.

Pringle,
Beds,
Hunts,
Northants.,
App. B. II.,
p. 100.

On a Bedfordshire estate of 9,476 acres, the outlay has been in the past 15 years 41,445*l.* 8*s.* 6*d.*, or an average of 5*s.* 10*d.* per acre each year. This is about equivalent to 26 per cent. of the gross rent of 1879, and about 38 per cent. of that of 1893.

Ingram,
3514, 3534,
&c.

The agricultural rents on Lord Chichester's estate at Stanmer have fallen from 9,285*l.* in 1877 to 5,319*l.* in 1893, but the improvements and repairs have been kept at 2,500*l.* to 2,600*l.*, and in 1893 were 2,678*l.*, or nearly 50 per cent.

Wilson Fox,
Glendale,
p. 8.

In the North of England the expenditure has been most widely extended since farming became more difficult. Thus of Northumberland, Mr. George Grey, who is both an owner and agent, says: "Actually more has been expended on buildings than formerly in the hope that increased facilities for feeding stock, &c., would assist the tenant in farming his land. As a rule, farm buildings and cottages are very good, and are far in advance of 20 years ago.

Mr. Hughes says: Farm buildings have been vastly improved in Northumberland within the last 15 years. On the Waterford estate, 6,000 acres, about 14 per cent. of the gross rental goes to improvements and repairs, on Lord Tankerville's (20,000 acres) about 17 or 18 per cent.

See also
Goldney,
15,830-1.
Pringle,
Yorks, p. 22.

Mr. Pringle says of South Durham and the North Riding that the landlords have spent large sums on permanent improvements. The comparative escape from the worst consequences of this long and severe depression is largely due to the way in which landlords have provided the best equipment for stock farming on economic and profitable lines, with covered yards.

A. Spencer,
Oxfordshire,
&c. p. 20

Mr. Spencer says of Oxfordshire, Gloucestershire, &c., that the average outlay ranges from 10 to 36 per cent. of the gross rental in those counties, is greater on large properties, and is generally maintained in spite of heavy reductions, and in some cases considerably increased since the depression. Much of the tenants' liabilities under covenants to repair has also been transferred to the landlord, who practically takes the whole cost.

Vol. VI.,
App. III.
and IV.,
pp. 462,
463

The proportion of gross rent thus employed is in some cases prodigious. Thus Mr. Hall, on his Cambridgeshire estate of 5,600 acres, expended in 1892—"a medium year"—on improvements and maintenance, 2,753*l.* out of 5,105*l.* gross rent, or over

* Including 20,781*l.* for drainage and embankment rates which are of the nature of a rentcharge for permanent improvements.

54 per cent. On his estate in Bucks—2,583 acres—the expenditure is 1,191*l.* 8*s.* 9*d.* out of 2,940*l.*, or over 40 per cent.

158. The "Particulars of Expenditures and Outgoings on certain Estates" shows that—

On the Tollemache estate in Cheshire, improvements, repairs, drainage, &c. have taken about 5,000*l.* a year out of about 33,000*l.*, or 15 per cent.

On the Holkham estate of Lord Leicester between 1872 and 1892, in 21 years 153,234*l.* was spent out of 1,109,314*l.* gross rent received, or 13·72 per cent. The outlay has considerably fallen since 1884.

On the Thorney and Wansford estates, out of 750,738*l.* gross rent for 21 years (1872–92), 385,192*l.* has gone to permanent improvements, drainage rates, &c., over 50 per cent.

On estates of about 27,000 acres in Beds and Bucks, out of 890,444*l.* gross rent received, 233,239*l.* were expended in the same period, or about 29 per cent.

On the Fitzhardinge estate, Gloucestershire, out of 723,293*l.* gross rent, 249,927*l.* went to improvements and repairs, or 34 per cent. These items have in 1892 fallen to 26 per cent.

For the same period—

On 24,500 acres in Devon, Cornwall, and Dorset, the gross rents are 736,026*l.* Improvements and repairs, 155,067*l.*, or 21 per cent.

On Bolton Abbey estate, between 1880 and 1892 (13 years), out of 134,760*l.* gross rent, improvements and repairs took 28,942*l.*, or 21 per cent.

On the Chatsworth estate, for 13 years, out of 159,309*l.* gross rent, 56,084*l.*, or 35 per cent.

On Lord Tollemache's Suffolk estate repairs and improvements took 16·97 per cent. of the rents in 1872, in 1882, 35·81 per cent., but in 1892 had fallen to 8·27 per cent.

Of Scotch estates, improvements and repairs took, on Lord Wemyss's property, 9·92 per cent. of rents in 1872, 26·09 per cent. in 1882, and 14·19 per cent. in 1892.

On Lord Breadalbane's estates 23·27 per cent. in 1892; on the Poltalloch estate 25·71 per cent. in 1872, 26·7 per cent. in 1882, and 39·68 per cent. in 1892. On Drummond Castle and Stobhall estates 28·45 per cent. in 1872, 57·03 per cent. in 1882, and 32·28 per cent. in 1892.

On Lord Strathmore's estates 27 per cent. of the rental goes to improvements and repairs.

On the Underley estate in Westmorland of 22,000 acres, from a rental of 24,000*l.*, sinking in 1892 to 20,000*l.* 102,000*l.* has been spent on repairs and permanent improvements in the last 28 years, or rather less than 6,000*l.* a year, or from 24 to 28 per cent.

Sir Massey Lopes, on his Devonshire estate of 9,000 acres, in 40 years expended 150,000*l.* on improvements and repairs, two-thirds of it going to permanent improvements. His experience is that this outlay of about 6*s.* an acre a year has left him where he was as regards rental. But he has retained his tenantry in a fairly prosperous condition, without the wreckage of generation after generation of farmers to be seen elsewhere.

Mr. Lipscomb says that the constant and increasing outlay on the small farms of the Savile estates has averted changes of tenancy.

In Cornwall, where stock farming is increasing, landlords have increased their expenditure in providing the necessary buildings.

Mr. Squarey thinks, as regards the south of England, that the amount of outlay on permanent improvements has been greatly diminished. The Lands Improvement Company is doing much less business.

Perhaps the most profitable permanent improvements which landlords could make in many parts of the country would be the subdivision of very large farms, and the equipment with buildings of smaller farms. But with existing resources and with existing prospects, this is nearly impracticable.

159. Sir Nigel Kingscote, one of the Commission, states that the expenditure on improvements and repairs on the agricultural estates of the Crown have been 257,016*l.* 5*s.* 11*d.* from 1879 to 1893. The rental was 112,900*l.* in 1879, and 72,195*l.* in 1893. The average outlay was over 17,000*l.* a year but has fallen to an average of 7,800*l.* in the years 1889–93. The heaviest expenditure was on drainage after the wet years.

On the agricultural estates of the Ecclesiastical Commissioners, between 1880 and 1892 inclusive, 812,438*l.* has been expended on improvements and repairs on an average rental of 295,000*l.*, about 21 per cent. per annum.

Figures as to some large estates.

Estate Accounts, p. 8, &c.

Ralston, 24,415.

Punchard, 14,850–9.

Estate Accounts, p. 6.

17,047.

17,223.

Collins, 37,175–8.

7293–4.

Squarey, 7238–45.

Improvements on Crown, Ecclesiastical, and corporate estates. Kingscote, 39. Vol. I., Appendix A. 1., &c. Kingscote, 322–3.

Lushington,
1622, 1632.
Engleheart
and Bolden,
4120.
4357.

On the three estates of Guy's Hospital, in all 22,605 acres, about 6,000*l.* a year was formerly expended, but now, owing to reductions, only half that amount.

The Duchy of Lancaster draws about 19,800*l.* from about 17,000 acres of agricultural land. On this there has been expended in improvements since 1880 about 63,500*l.*, or about 4,000*l.* a year.

Expenditure
charged on
estates under
Drainage
and Im-
provement
Acts.
Vol. III.,
Appendices
XXVIII. to
XXXI.
Elliott,
42,706-
42,795.

160. The official information supplied by the Board of Agriculture as to expenditures under the various Drainage and Improvement Acts since 1847, which have enabled owners to make the cost of improvements a charge upon the land, show that in 47 years the sum of 16,521,277*l.* was so spent and charged, 8,978,731*l.* being for drainage, 4,702,361*l.* for farm buildings, 1,067,336*l.* for cottages, 432,988*l.* for fencing and embanking, and 566,357*l.* for mansion houses, the last item beginning in 1872, after the passing of the Limited Owners Residences Act, 1871. Four millions was advanced by the Exchequer under the first Drainage Acts (nearly all repaid). The remainder by the Land Improvement Companies and by landowners themselves under the Improvement of Land Act, 1864, and the Limited Owners' Residences Act. It is not possible to ascertain what has been expended and charged under the Settled Land Act, 1882, but the estimates submitted to the Board of Agriculture, where the Board approves the surveyor, have amounted in 1893 and 1894 to about 200,000*l.* each year.

Appendix
XXIX.

Since 1873 the heaviest outlay appears to have been for drainage in the six years succeeding 1879, and for farm buildings. There was also a heavy but steadily decreasing outlay on buildings between 1876 and 1888. But the expenditure since 1888 does not confirm the statements of several witnesses that outlay has been increasing with the depression, but rather tends to show that the opinion of Mr. Squarey, Sir Michael Hicks Beach, and others, that in the last few years outlay has been very much less owing to straitened means.

7294-7.
6046-7.
6060-1.
42,762.

Mr. Elliott thinks this and the smaller prospect of profit from improvements are the main causes of the smaller amount in last six or seven years, though it is also suggested that under the Settled Land Act, some portion of this expenditure escapes public attention.

Exceptional
efforts on
large and
small estates.

161. It would appear probable from the evidence that the largest application of gross rents to improvements have taken place on the best managed and on the whole most prosperous of the large estates, and especially where the owner has considerable other resources. But there is very striking evidence of extraordinary efforts on the part both of owners of large estates in exceptionally bad districts, and also of owners of small properties with no other resources to keep up their farms, who have clearly made enormous personal sacrifices to meet the necessities of their tenants, and to keep their estates in working order.

Thus, on a large estate in Essex (13,000 acres), where the net rental was still 7,682*l.* in 1881-2, the outlay on buildings and repairs had risen from 2,020*l.* in the former year to 3,184*l.* in 1887-8, and to 4,690*l.* in 1892-3. When all the outgoings are deducted in the last year, the sum left as net income to the owner is only 652*l.* 13*s.* 9*d.* or about 1*s.* an acre.

Pringle,
Beds., &c.
§ 149, p. 45.

Again, in the South Midlands, Mr. Pringle found, "on going over the accounts of small properties, that efforts had been made to maintain buildings and drain land to the last possible penny." "Small landlords will submit to anything rather than lose a tenant, or farm their own land." These small and helpless landlords are specially selected as victims by the unscrupulous farm wreckers who "get all they can by reckless cropping in a year or so, and then bolt."

Evidence of
neglect of im-
provements and
repairs.

162. There is another side to this matter. The buildings and cottages on many Essex farms are reported to be wretched, and sheds and yards for stock keeping of the most undesirable description.

Pringle,
Essex, p. 25.

Mr. Pringle remarks: "It is a pity that in the good times, when Essex farms were paying high rents, so little was done towards the equipment of estates with substantial farm buildings. It is evident that what cannot easily be done now, could and, I think, should have been accomplished then."

Rew, North
Devon, § 27,
p. 13.

Mr. Rew says of North Devon: "The condition of the farmhouses, buildings, and cottages is, on larger estates, as a rule, good, though there are exceptions even there. On the smaller estates the condition is generally indifferent, and in some cases very bad. On the best managed estates repairs are well kept up, but improvements are not carried out to the same extent as formerly. Up to recently, interest on improvements effected by the landlord has been commonly charged to the tenants, but latterly it has been found impossible to do this, and consequently less outlay has been undertaken in this direction."

Similarly of Dorset Mr. Rew reports that while buildings are generally good on the larger estates, some are bad in respect of convenience, adequacy or condition. "The times have checked expenditure on new buildings, as it is very seldom that any interest can be obtained for the money spent on them. On the smaller estates buildings are frequently inadequate and in indifferent order." Some of the cottages even on larger estates are disgraceful. Dorset, p. 16.

The discreditable insanitary condition of many of the farm buildings in Lancashire, where rents run high, and the way in which stock and dairy farming is hampered by these defects has already been alluded to (*see* para. 95).

In Cambridgeshire, where there are few large estates, complaints are frequent that "most of the farm buildings and cottages are very bad. The drainage of farm yards is bad." "The buildings in East Cambridgeshire are very bad." At Ely it is said, "ordinary repairs have been kept up, but no substantial ones." At Parson's Drove "buildings and sheds have been neglected by the landlords. The water in the streams is not fit to drink," &c. Wilson Fox, Cambr., p. 14.

In Suffolk, though the farmers do not appear to complain, buildings, with a few exceptions on some large estates, are described as inferior and ill-adapted to help farming. "The dairy accommodation is wretched and discouraging to farmers," and "often near sources of contamination." J. A. Smith, Secretary to the Akenham Dairy Co. Wilson Fox, Suffolk, p. 15.

"In the Lothians, some owners are taking farms into their own hands, and setting them down to grass, and leaving the buildings alone rather than put new buildings up. Buildings are getting so out of order as to hamper the business of farming."

Smith, 54,360.

There is also much evidence here and there that drainage is still in a most imperfect state, that in some districts the old drains laid many years ago are useless, and have not been replaced. Rowlandson, Pringle, Beds, &c., p. 7.

And the amount spent on drainage, and charged on estates under the Improvements Acts in the six years following the disaster of 1879 is 710,125*l.* for the whole of Great Britain. This was a most critical period and the area of land affected by the last season was enormous. On Lord Spencer's estate in Northamptonshire of 14,808 acres, nearly 17,000*l.* has been spent in drainage since 1879 with the greatest benefit to the pasture land. But if this is the proportion on one estate, it is hardly likely that the sum of 710,125*l.* would cover any adequate proportion of the large area of land put out of condition by the wet seasons.

Vol. III., App. XXIX., p. 532. Pringle, Beds, &c., p. 12. Huskinson, &c. Pringle, Beds, &c. Appendix B, VIII., 5.

163. It is certainly an extraordinary circumstance in this connexion that the outlay charged on estates under the Improvements Acts after the passing of the Limited Owners Residences Acts should have been so great in respect of mansion houses. It appears from the tables supplied by the Board of Agriculture that the expenditure for mansion houses during the period of depression between 1879 and 1894 inclusive was no less than 430,737*l.*, whereas during this period only 377,920*l.* was borrowed and charged under the Acts for the erection of labourers' cottages. The expenditure for farm buildings was 1,831,718*l.*, and for drainage 1,047,274*l.* during the same period. In one year, 1890, the amount for mansion houses is 77,844*l.* whereas on labourers' cottages only 8,311*l.* was expended, and even on farm buildings the amount was only 67,080*l.* or 10,764*l.* less than on mansion houses. In the five years ending in 1894 the outlay on mansion houses was 169,592*l.*, on labourers' cottages only 67,864*l.*, and on drainage 12,227*l.*, and farm buildings 328,464*l.* These figures do not of course cover more than the outlays arranged for under the Acts, but if they can be taken as fairly representing the proportion of loans applied by owners to the maintenance or development of their estates, it would appear that, since the depression set in, the outlay on the essential provisions for the well being and effective working of estates—the outlay which would keep good labour on the land, and help farmers if possible to make a profit out of it, has been, in the cases where owners borrowed under the Acts, relatively subordinated to the comfort and dignity of the landowners' families, and that, as rents have been further reduced in the last five years, this relation of the several outlays has been still more sharply defined. Mr. Elliott's explanation that some of this expenditure on mansion houses was made by new purchasers of estates out of money derived from other sources, does not seem to touch the point of the relative proportions of the outlays charged for the several purposes.

Heavy expenditure on mansion houses under the Limited Owners Residences Acts and the Improvements Acts. Vol. III., App. XXIX. Elliott, 42,759-60.

164. Special significance also attaches to the very general demand of tenant farmers in many districts for amendments to the Agricultural Holdings Act to confer on them the right to either obtain from the landlord, or to execute for themselves (with the right to compensation) the classes of improvements which they hold to be essential to the profitable working of the soil. It is impossible to suppose that this contention

The demand of farmers for improvements.

would be so frequently and forcibly advanced were it not that there must be a very large and as yet unsatisfied demand for the better equipment of farms.

Landlords' improvements and outgoings as a justification for rents.

165. The outlay by landlords on improvements has been generally regarded as a justification for rents which otherwise would be obviously thought to be high, if not excessive, in the face of falling prices.

Many owners seem to think that they are getting no rent at all for their land, unless they have first secured what they consider a fair interest on their own outlay in improvements. The whole of this outlay is regarded as capital invested in buildings, drainage, fencing, and other improvements, and it is clearly matter of conviction with many witnesses, who have come before us, that they are entitled to expect a full interest on the whole of this outlay, exactly in the same sense as from any ordinary commercial investment.

Rew, Dorset, p. 16.
Rew, N. Devon, p. 13.

This view has naturally arisen from the fact that, with the exception of some large estates, interest has almost invariably been paid by tenants on such outlay, till, margins having become too narrow, it became no longer possible to charge interest, and, in the case of new tenancies, improvements have been insisted on as a condition of taking a farm at all.

Thus the enormous outlay for a long number of years on the estates of Lord Leicester in Norfolk and the Earl of Ancaster in Lincolnshire are compared with existing rents.

On the Holkham estate, the expenditure of two generations, by two successive Earls of Leicester, ranging from 1777 to 1892, amounts to the very large sum of 1,112,090*l.* The rental in 1894, which was likely to sink still lower, was 28,700*l.* If, as is assumed, the expenditure of two generations for a century back ought to be a sort of first charge on the land, the rents paid would only give an interest of $2\frac{1}{2}$ per cent.

On Lord Ancaster's estate since 1872 the sum of 1,039,551*l.* in all was spent, and of which 689,197*l.* was for improvements, repairs, &c.

The gross rent received (not the rent-roll) in 1893 was 53,196*l.* This represents 5 per cent. on the total outgoings of the 22 years, if the whole of them are to be treated as interest-bearing investments, or $7\frac{1}{2}$ per cent. on the outlay on improvements and repairs taken apart from the other outgoings. If the expenditure of 1893 on improvements and repairs, 15,015*l.*, is deducted from the gross rent, the remaining income for that year, 38,181*l.*, represents $3\frac{2}{3}$ per cent. on the whole outlay for the 22 years, and $5\frac{1}{2}$ per cent. on the improvements and repairs outlay.

Some considerations ignored.

Wilson Fox, Lincoln, p. 53, 54,

166. But it is plain that in such calculations many essential considerations are unconsciously ignored. In the first place, in these accounts some items are not investments at all. Thus, in the case of Lord Ancaster's estate, the outlay of a million sterling since 1872 includes tithe, land-tax, local rates paid by owner, management, and miscellaneous outgoings, none of which can be an interest-bearing investment; and in the case of the Holkham estate, a large proportion of the enormous expenditure of two generations is quite out of date as an element upon which the rent of to-day could reasonably be calculated in the light of so much dividend upon an investment.

Journal of the Royal Agricultural Society, 1887, 17,812-16, 17,865-9.
Lopes.

Mr. Albert Pell, in his interesting article on "The Making of the Land in England," and in his evidence before the Commission, argues that agricultural land has really been made available by the expenditure of the landowners, and that this expenditure has been so enormous that it is probable that present rents only represent about 1 per cent. upon the total outlay. If owners had gone on from year to year investing the same amounts in consols or other securities, they would have had a large return. Sir Massey Lopes, in his evidence, advances the same contention.

17,868.

But such reasoning is obviously fallacious. The landlords could only *ex hypothesi* have had these sums to expend on improvements, or to invest elsewhere from year to year, if their rents continued to be paid; or, if these sums were invested elsewhere, in a very few years the rents would have gone down to nothing, with the result that the landlord would be poorer, not richer, from this change of his arrangements. In fact, Mr. Pell admits that the money was invested in making the land "lettable"—without it, it would, therefore, have not been lettable, but would speedily have reverted to waste.

Fallacies of these assumptions.

17,944.

167. The fallacy is threefold. In the first place, most of such expenditure is not truly of the nature of an investment. It is to some extent merely the essential preliminary to any rent being earned at all. And, in the second place, a very large portion has long since lapsed. Mr. Pell himself holds that "no landlord would in

fixing his rent take into consideration such expenditure unless made within a reasonable period," and could not go back to these outlays of half a century or more ago. And, thirdly, it seems to be quite forgotten that many of the items which swell these vast accounts are temporary and evanescent. Much that goes down as "repairs" consists of recurrent and transient payments. It is of the nature of the mere replacing of the wear and tear of the machine, or instrument which is let on hire, and which is unworkable and useless without this constant attention. If a jobmaster spends money year by year in keeping a carriage he lets out on hire in good order, he naturally does better business and is able to let his carriage on better terms than another man who neglects repairs, but it would be absurd for him to add up year by year his outlays on repairs as a species of cumulative investment, increasing for ever and ever, and expected to yield an interest on the wholly fictitious total of investments thus created. It would very soon exceed the selling value of the carriage. Much of the reasoning as to rents not producing a fair interest on landlord's outlay is equally unsubstantial and fallacious.

When the claims of tenants for their improvements are considered, the time limit of exhaustion is rigidly and jealously guarded. The proposals of all the Scotch tenant farmer witnesses and of many of the English tenant farmer witnesses, that compensation should be given for long continued good farming, resulting in what they term "cumulative fertility," have been repudiated by witnesses representing the views of landowners and agents. But at the same time statements are made which imply the claim by landlords and their representatives to treat the landlord's outlay as a matter on which time has practically no effect whatever.

By the Lincolnshire custom a tenant is only allowed 15 years for drainage, after which time it is assumed that no value worth pecuniary recognition is thought to remain. On what principle can it be justly held that, on an exactly similar outlay, a landlord should have a right to interest extending over generations?

Wilson-Fox,
Lincoln,
p. 25.

LANDLORDS' IMPROVEMENTS REALLY PAID FOR BY TENANTS.

168. In any case it must be recognised that, until the more recent and acute stages of the depression, agricultural tenants have themselves been clearing away for generations past the capital and interest of the outlays made by their landlords. This is established in the evidence and in the reports. In some cases the repayment has been made in instalments repayable by specific agreement, in others by some proportionate increase of rent. In most cases it must be presumed that the whole outlay was thus repaid, in others a part of the outlay. In his own case, mentioned by Mr. Carrington Smith, a clause was added to his agreement providing that the money borrowed by his landlord for improvements on the farm was to be paid off by the tenant at the rate of 7 per cent. "I continued to pay principal and interest on the drainage until its repayment was finished; then, of course, the extra charge upon me ceased."

The permanent improvements largely paid for by tenants.

T. Carrington Smith,
9645.

On an estate in South Dorset the tenant is compelled to agree to pay 5 per cent. on all landlord's outlay and drainage, and also "to convey all materials for such improvements free of cost from a distance not more than ten miles."

See Rew,
Dorset, p. 64.

But where no specific agreement has been entered upon, but there has only been an increase of rent on a general understanding, that the increase was to pay for outlay by the landlord on improvements, it is probable that this increased rental has, in many cases, become crystallized as the accepted rent of the holding, and the addition made in respect of the improvement on which the outlay took place, has not ceased at the end of the reasonable time within which the addition to rent would have cleared off both principal and interest.

Thus Mr. Davidson says: "In the old days" (before the depression) "I think the interest on drainage was regarded as so much rent when you came to renew your lease."

51,129.

Mr. Stuart says of a Banffshire tenant: "The tenant paid up the capital and interest in the course of a 19 years lease at the rate of $6\frac{1}{2}$ per cent., and then he was charged a larger rent on these improvements in his next lease."

Stuart,
53,096.

Mr. Speir states, as regards the south-western counties of Scotland, that the improvements have practically been executed by the tenants. The landlords have built most of the houses, but the tenants have done the cartage for great distances in hilly districts, meaning a heavy outlay, for which no adequate return has been made. And in many cases the principal and interest for the buildings has been paid by the tenant alone.

Speir, Ayrshire,
p. 20.

In the case of a Northants tenancy brought before us, a mill was erected by the landlord, and fitted with special machinery in 1893, the annual value of which was

T. Carrington Smith,
8127.

Baker,
47,167.
Wilson Fox,
9287, 8.

taken to be 100*l.*, and an addition of 50*l.* a year was made to the rent, or rather the reduction of the rent from 732*l.* to 400*l.* was placed at 450*l.*, to cover part of the outlay. And in many instances it has been urged that reductions of rent to tenants have been made in a certain sense by some increase in the outlay of the landlord in permanent improvements. If this argument is economically sound it proves that these permanent improvements are being paid for by the tenant and not by the landlord.

Carrington
Smith, 9656.

Carrington
Smith, 8128.
Punchard,
14,901,
15,021.
Rowlandson,
17,574.
Wilson Fox,
Linc., § 19,
p. 14.

If the evidence is conclusive, as appears to be the case, that this paying off by the tenant has been, till the last few years, the general practice except on a very few large estates, it is plain that the tenants have really borne in most instances the expense of permanent improvements, in addition to the outlay they have made from their own capital in developing and maintaining the fertility and condition of the soil, and frequently also in more prosperous times in carrying out permanent improvements themselves. The landlord's share in the transaction has been the advance of capital, and for the argument it matters nothing whether it has been borrowed from the Exchequer, or from a company, or from elsewhere, or expended out of rents received, or other resources. It is capital advanced, and when repayment at a reasonable rate has been made, either in instalments by specific agreement, or in a rent increased, or maintained to cover the necessary amount, the transaction should be treated as wound up and done with, and it is wholly inadmissible to go on adding cumulatively, one upon the other, all these repaid outlays, and treat the immense sum thus fictitiously piled up as a permanent investment, to secure a fair commercial interest on which rents ought to be kept at some fictitious level, even when it is obvious that the greatest part of this accumulation of outlays has long since been paid off and cancelled.

The tenant has
no similar rights
as to improve-
ments made by
his own outlay.
Rowlandson,
17574.
Pringle,
Beds. Hunts,
Northants,
pp. 59, &c.
J. Stretton.
6623, &c.
51,840, 1.

169. The injustice to which these fallacious contentions naturally lead is obvious. It is still more striking when we consider the amount of evidence that where tenants have directly contributed their own capital to the permanent improvement of the landlords' property they have no security whatever, and are unable to obtain for their outlay any repayment from the landlord, either by instalments of interest and sinking fund, or by allowances out of rent, unless they have been able to make beforehand an agreement to cover their expenditure.

51,844-46.

43,778.

Thus Mr. Stuart says that, on the Duke of Fife's property, the tenants have executed permanent improvements very generally. He has built his own steading, steam mill, and done fencing, dyking, &c., and has got nearly as much value in the farm as the landlord has. Mr. Stuart estimates the annual value of his permanent improvements at 80*l.* a year, and states that, unless he pays less than half his present rent, he is losing the whole of this annual value of his improvements.

Mr. Hutchinson, who erected buildings on his farm before the Act and without an agreement, and if he left would be handing over about 2,000*l.* to his landlord in the buildings, is clearly now paying and not receiving interest on his own expenditure.

From such cases it is indeed clear, that so long as the power of fixing rents at discretion remains in the hands of the landlord without restriction or qualification, from the moment a tenant spends a sum on an improvement, the improvement thus made belongs in practice to the landlord, and (if no agreement has been entered into to protect the tenant) it absolutely depends on the sense of fairness of the landlord whether he abstains or not from unjustly depriving the tenant of the value from the outset, or at any determination of the tenancy.

The only chance of forcing anything in the form of a repayment by the landlord of the value added to his property by the tenant's outlay is where the tenant is in a position to threaten the destruction of the improvement as in the case of permanent pasture laid down by the tenant himself. By this threat Mr. Carrington Smith was enabled to get an agreement that he should receive 5*l.* an acre for pasture he had laid down and improved for over 12 years, at the close of his tenancy, he engaging on his side not to plough it up.

These facts show that wholly different standards and different reasoning are applied to the interests landlords and tenants respectively have in any expenditure by which either party contributes to the value of the holding.

Rents in
relation to
the capital
value of
land.

Pringle,
Essex, p. 18.

170. Again, in assuming that rent ought to cover not only a reasonable equivalent for the productive power of the land, but also include a full interest on accumulated outlays, it is forgotten that rent has also a necessary relation to the present capital value of the land.

This may be illustrated by a case from Mr. Pringle's Essex report.

An estate cost, in purchase money and improvements, 200,000*l.*, but would now only fetch 50,000*l.* in the market. Before 1879 the gross rental was between 6,000*l.* and

7,000l.; now (in 1893) it is below 4,000l. The owner says, "I get no rent at all for my land; I merely get about 4 per cent. on the cost of buildings, drains, and fences."

But, on his own showing, if the estate with the buildings and improvements would now sell for only 50,000l., the present gross rental would represent about 8 per cent. on the present capital value of the whole land, and improvements. Even deducting 1,200l., or 33 per cent. for repairs, &c., he is still getting $5\frac{1}{2}$ per cent. on the current value of his land and improvements.

171. In this analysis it has been wished to give the fullest attention to the important evidence of very large outlays having been made by many owners, without any charge of interest during the period of depression. It will be universally recognised that a broad and generous and considerate policy and a wise foresight has been shown by many wealthy landowners, in the free application to the useful and necessary work of restoring or maintaining agricultural land, of large sums from other investments and accumulations. I am convinced that, even now, this immense outlay, made without imposing onerous conditions on the tenants of these estates, is bringing some small return to the owners in preventing the further diminution of rents, which without this outlay would speedily ensue. I also agree with Mr. Rew's opinion, that it cannot be expected that landowners should go on permanently expending income from other sources on their agricultural estates without the inducement of something like a commercial return, as many have now practically been doing for several years.

Conclusion.
Assistant
Commissioner's
Reports,
passim,
see especially
W. Fox,
Garstang,
Appendices.

But I have thought it only right to expose the fallacies lurking under some of the reasoning as to landlord's improvements, and as to capital values of land and buildings the economic depreciation of which ought to be frankly recognised, because I am convinced that these fallacies have operated, and are likely to operate, as incentives to unjust over-renting of tenants. And, in my opinion, it is certain in practice to be as injurious to the chances of agriculture that the owners of land should treat what they consider a fair interest on their outlay as a sort of perpetual first charge like tithe, as it would be ruinous to railway interests if dividends should be taken first to suit the ideas of shareholders, and working expenses be left to take their chance afterwards.

172. The moral, as well as economic, injustice of some of the high rents, which are apparently being maintained, deserves special consideration.

Some high
rents a con-
fiscation of
wages.

It has been frequently said, with or without precision, that many rents in Ireland were only paid by the remittances sent to the tenants by children or other relatives in America. But it certainly can be said with exactness that the whole, or at any rate some portion, of the rent of many of the small farms in Lancashire, in Wales, parts of Scotland, and in other districts, is not made by the land itself, but is really being paid by the gratuitous labour of the farmer's grown-up children.

Mr. Wilson Fox says: "At the present time in some districts it is the farmers' sons and daughters who have suffered rather than the land, for they have been and are giving their best energies towards its cultivation, receiving no reward in the present, and with but little prospect for it in the future." . . . "Some large farmers have told me that after feeding and clothing themselves and their families, and paying no wages to their sons and daughters, they have made nothing for the last year or two, while several have told me they have had to draw on capital." When the ordinary wages of grown young men and women in Lancashire towns are considered, it seems extraordinary that this heavy sacrifice should have been made to keep up the farms, and still more astounding that even when this sacrifice was unavailing to prevent loss of all profits, the reductions of rent in Lancashire have not been vastly greater than the relatively small reduction recorded in evidence. The farmers asked Mr. Fox: "Prices have dropped 30 to 40 per cent., and rents only 5 or 10 per cent.: how are we to get along?" They might reasonably have urged that they are paying a second rent by giving the labour of their children for nothing. And this injustice seems to prevail in parts of Scotland also, and where the Scotch settlers in Essex and other counties are struggling with difficulties.

Ralston,
24,833.

And it is not confined to these instances. Mr. Wilson Fox remarks that rents are more reduced on large than on small farms, and this has led to the conclusion that small farms have suffered least, but this is really due to the heavy labour bill on the big farms, while one of his farmer witnesses is of opinion "the 50 to 100 acre

Wilson Fox,
Lincoln,
p. 66.
See also Sir J.
Murray Leaps
17,000.

men have felt the depression least, because they and all their family work, and are not paid, their labour going to the landlord as rent."

Mortgages
and other
encumbrances
and
their effects.

173. Much of the inability of landlords to reduce rents to a level at which profits again become possible, or to provide improvements and repairs on which profitable working must to some extent depend, is clearly due to the heavy charges on land either in the form of mortgages or under settlements for the benefit of members of the owner's family.

As there are no available records of mortgages and other charges, it is impossible to estimate with any exactness the amount of the existing encumbrances on agricultural land. But that they are exceedingly large is undoubted, and in some districts and on some estates absolutely crushing.

33,963.
34,018.

Sir Arthur Arnold, from his own experience and from the opinions of experienced solicitors in England, thinks that land is as heavily mortgaged in England as in Ireland, and that the total amount would be about 400,000,000*l.* In his opinion, the existence of heavily encumbered estates and their perpetuation through the system of settlement in a more or less paralysed condition, is eminently prejudicial to agriculture. Registration of title, and the accompanying record of all mortgages, would both facilitate borrowing money for improvements on easier terms, and "would very shortly lead to the extinction of insolvent landowners, and the easy transfer of land to persons well able to supply the capital for its cultivation."

33,921.
33,964.
33,968.

33,972-5.

Consequences of over-
burdening
estates.

Pringle,
Beds, Hunts,
Northants,
p. 58.

174. The excessive pressure of encumbrances on many estates has been due to over confidence of owners and solicitors in the future increase of values of land. In the times of high prices, rents were easily raised without resistance by tenants, and the nominal capital value thereby enhanced. "Taking it for granted that rents would not fall, and that values would gradually rise, large sums were borrowed on the security of the high rentals. Mansions were enlarged or castles built, dowagers, wives, sons, and daughters were left annuitants, and all these payments formed deep and lasting drains upon the income of the landlord." The margin which, if preserved, might in most cases have been ample to meet emergencies, was thus given away, and the net income, after paying mortgage interests and charges, became insufficient to admit of adequate reduction of rents or of the full provisional essential improvements and works upon estates.

Pringle,
Beds, Hants,
Northants,
p. 8.

In this situation it was not unnatural that most owners were tempted to regulate "the amount of a remission or reduction of rent more by the ability of the owner to give than by the right of the tenant to receive," and to absolutely forget that the balance of net income has nothing to do with the economic value of the land for letting purposes.

Results on
rents.

175. Again, both owner and mortgagee are interested in preventing permanent reductions in rent. The margin on which the selling value of the interests of either party rests would be diminished, and there is, therefore, the strongest inducement to keep up rents so far as possible.

Rolleston,
13,430-2.
Simpson,
16,738.

In some cases where depression has cut deepest into values, as in Suffolk and Essex, the mortgagees would lose by foreclosing and selling under present circumstances, and there has been a disinclination to precipitate matters, and this may in some sense be helping to tide over, and even to reduce slightly the interest.

Middleton,
2614.
C. S. Read,
16,613.

The extent to which the action even of liberally intentioned owners is paralysed by the fact that his mortgage interest and other charges remain a fixed quantity while his gross receipts have been steadily lessening, is recognised as a serious hindrance to relief.

39,475.

Mr. Biddell says, "I do not think that he has been able to support the farmer out of his own pocket; he has had children to keep, and jointures to pay, and possibly he thought more of them than he did of the farmer."

Other
results.
14,004.
14,012.

176. Mr. Kay gives the case of a farm let at 14*s.*, which would be worth 25*s.* if properly drained. But drainage is impossible; the estate is mortgaged to its full value, and is really bankrupt. "If I could borrow or insist upon the landlord or the mortgagee borrowing the 800*l.* necessary to drain the land, on the low terms the Government could get the money, the land would be better worth the increased rent to me than it is worth what I now pay."

Everett,
19,022.
Sir R. Giffen,
18,212.

The effect of the growing proportion of mortgage interest to receipts in times of depreciating values is vividly described by Mr. Everett, and the grave imprudence of landowners in giving mortgages over a long period has taught them a severe lesson."

Pringle,
Essex, App.
B. iv., p. 64.

The accounts of an Essex estate of 643 acres strikingly illustrate the position of small owners. Valued in 1881, on a rental of 1,153*l.*, tenants paying tithe, at 20,700*l.*, the owner borrowed 9,000*l.*, and has to meet the interest, 360*l.* But his net rents

now, less tithes, taxes, repairs and management are only 38*l.* 6*s.* 6*d.* The balance received is only 21*l.* 6*s.* 6*d.*, and his four largest tenants had given notice.

In Lincolnshire "there are estates where little, if anything, goes into the owners' pockets. A reduction of 40 or 50 per cent. in gross rental means an alarming encroachment on private income, when all outgoings and also fixed charges and interest on mortgages have been paid. In some cases there are owners of land drawing nothing at all from their properties, and the mortgagees are taking what interest they can get, not daring to foreclose."

Wilson Fox,
Lincoln,
p. 47.

The economic hopelessness of the position in many cases is illustrated by the inability of mortgagees to realise anything like the amount of the mortgage itself.

Thus a farm bought for 22,000*l.* in 1874 and mortgaged for 11,000*l.*, is valued at only 6,796*l.*, not much more than half the mortgage! For a small farm, bought originally for 7,803*l.* and mortgaged for 5,000*l.*, the highest bid at a sale was 3,600*l.*

Wilson Fox,
Lincoln,
App. B. 4.
p. 154.

For a farm near Cambridge costing in 1874 7,700*l.* mortgaged for 6,000*l.* the mortgagee would take 2,000*l.* now. Another farm bought for 10,000*l.* in 1874, mortgaged for 8,000*l.*, now offered for 3,500*l.*

Wilson Fox,
Cambridge,
p. 39

Similar illustrations from Suffolk show even more astounding depreciation.

A farm bought in 1893 for 13,000*l.* and saddled with three mortgages, was sold by the first mortgagees for 1,800*l.*, a loss of 80 per cent., while the other mortgagees lost everything.

Wilson Fox,
Suffolk,
p. 50.

Another foreclosure sale shows a loss of 85 per cent. of the amount of the mortgage.

In such districts and on such estates there is complete paralysis and no hope of reconstruction except by the land passing to new and stronger hands.

177. Mr. Speir states how a North Ayrshire factor got over the difficulty, in its less aggravated form. Heavy mortgages left no margin for indispensable new buildings, but the tenants were induced to build them by a deduction from the agreed rent sufficient to pay 7½ per cent. on the outlay. "In this way the landlord succeeded in erecting new buildings without seriously trenching on his limited income, while the tenant received fair interest, and got his capital part by the end of the lease."

Some sug-
gestions,
Speir,
Ayrshire,
p. 6.

Suggestions are also made that annuities charged on estates should rise and fall with the letting value of the estates, and that there should be much greater freedom than that given under the Settled Land Act, 1882, to sell part of a property and use the proceeds in improving the rest of the estate.

Another suggestion of great practical importance bearing on this subject is that the life owner should be entitled to the absolute ownership of all improvements he makes on the estate. This is not only just in itself, but must be a strong inducement to many owners to find money for improvements, who otherwise would have no margin with which to execute them.

Wilkinson,
31,384.

This amendment of the law has also been recommended by a unanimous resolution of the Central Chamber of Agriculture. Its advantages are incidentally shown by the better position of tenants on Crown and corporate estates where outlays may more readily be charged to capital instead of paid out of income.

178. It is urged that on heavily encumbered estates the tenants have no security, as to retaining the farms, or as to fair treatment. Till the passing of the Tenants Compensation Act in 1890 the claim of a tenant for improvements, or for tillages and crops, as against the landlord, lapsed if the mortgagee took possession, and thus stepped into the landlord's shoes. The Tenants Compensation Act transferred to the foreclosing mortgagee the landlord's liabilities to his tenants in these respects.

Insecurity
of tenants on
encumbered
estates.

But on encumbered estates there is a double danger. The narrow margin tempts, or even compels, owner and agent to be unjust, and if the farm passes to the mortgagee still less consideration is to be expected. In the latter case the sitting tenants have no chance. If they have improved their farms and kept them in high condition, the fullest competition value is exacted from them, or they are turned out to make a higher rent to be got from others. The usual history of heavily encumbered estates, whose values have been fictitiously written up by the lawyers as a basis for heavy charging of this created value, is rackrenting till the sitting tenant breaks or leaves, and then re-letting at enormous reductions, when the land has inevitably gone down.

54,995.
Pringle,
47,618,
47,627.

179. It must be recognised that even on estates, whose encumbrances seemed moderate a few years back, the margin has probably in many cases become insufficient to meet in full and fair proportion the reasonable claims of tenants to a fair working rent and adequate equipment, and that on the most heavily burdened estates the position has, as we have shown, become quite hopeless. I think this state of affairs, where it exists, is rather an argument for prompt interference by the State to facilitate either

Conclusion.

the transfer of such estates to others who are more able to do justice to them, or to enable the owner to extricate himself from insolvency by loans on low terms for clearing off mortgages, than it is an answer to the claims of tenants to hold their land securely at a reasonable rent which does not confiscate their improvements or imperil their financial position. The tenant should be entitled to enjoy his land at a rent determined by the valuation of the holding as a food-producing concern, and not merely measured by the embarrassments and liabilities of his landlord, and has also a fair claim, as a tenant of an agricultural holding, to receive a reasonable minimum of essential equipment from the landlord, or, if he supplies it himself, to receive a fair compensation for doing so. When the owner is so involved that he can no longer either let his farms at their fair value, or give or pay for what is necessary, he is practically bankrupt, and his retention of his position is merely an obstacle to agricultural success. The sooner the situation is ended the better.

Further
suggestions
and recom-
mendations.

180. The breaking up of estates held by insolvent life-tenants under settlement would clearly be of the greatest benefit, not only to the tenants of the estates, who, in most such cases, would pass under new landlords with capital sufficient to work the estates well, and to make adequate reductions of rent, but also to the community at large. Where mortgages are heavy, it is obvious that the worst evils of the "absentee" system are operating perniciously to cripple agricultural enterprise by diverting tenants' capital from cultivation to making up of interest out of proportion to existing values, and by withholding improvements which are absolutely essential to success.

It is the interest of all that such a state of things should be ended.

I agree with the recommendation made by the majority in the chapter on the sale of mortgaged land, but wish to add to that recommendation the following suggestions :—

The restrictions on absolute ownership clearly intensify the mischief of insolvent and encumbered landlords. The abolition of entail and settlement as regards land, and the compulsory registration of title, with a clear and accessible record of every act and transaction as to the land, would remove many difficulties; would enable existing owners to sell their land to greater advantage, would increase their motive as well as power for selling, would stimulate the better distribution of land, and, in Sir Arthur Arnold's words, would tend to "bring the effective energy of a very large number of minds to deal with the land to increase its production."

33,925.

This whole group of reforms would simplify the situation and enable estates now bound down by complicated interests, and in many cases paralysed by the prolonged and cumulative embarrassments of the nominal owner, to be extricated from their hopeless position, and promptly made available for the work of agriculture, and the benefit of the community.

Arnold,
33,972.

I am also strongly of opinion that in any legislation affecting encumbered and bankrupt estates and facilitating their sale, it would be eminently desirable, now that a strong local authority in the shape of county councils exists, that provision should be made giving to county councils a right of preemption on the sale of such estates for any public purpose, and especially with the view of letting or reselling the agricultural land to those who will make the best use of it.

CHAPTER XI.

THE GENERAL RELATIONS OF LANDLORD AND TENANT.

Friendly
relations of
landlords
and tenants.

181. The general relations of landlord and tenant as disclosed in this enquiry form one of its pleasantest features. Even on the part of some of the sharpest critics among the farmer witnesses there has been a striking display of the good-will and consideration which seem to have been shown by the best type of farmer to his landlord all over the country.

And there has been evidence throughout the enquiry that the difficulties under which landlords labour, especially where their income is wholly agricultural, are frankly recognised, and a most generous interpretation put by tenants on the action taken by landlords both in making reductions of rent, and in endeavouring with a narrowed margin of income to keep up their properties.

Illustra-
tions.
Wilson Fox,
Lancashire,
p. 50.

182. The general feeling is probably expressed fairly enough in some passages of Mr. Wilson Fox's report on Lancashire.

"Generally speaking, there has been a policy of give and take between landlord and tenants." "Landlords and tenants have both been hard hit, but we have met each other as far as we could."

The same tone of kindly sympathy with the landlords and readiness to accept even insufficient reductions was expressed by many witnesses.

But the accounts of some Lincolnshire farms which we have analysed demonstrate that this acquiescence and good-will on the part of the tenant who has been bearing more than his fair share of the loss is rather a matter of sentiment and of sympathy than of conviction that matters have really been equitably adjusted.

And, indeed, Mr. Fox goes on to quote the opinion of Mr. Calthorp, of Spalding, "whose experience and judgment," he says, "are so widely recognised." Mr. Calthorp thinks:—"Notwithstanding the great reduction in rent, it will have to be still lower if the land is to be cultivated. In most cases here they would not have made a profit of late if no rent had been paid. Hence they have been living on capital. It is merely a question of time. My balance has never been on the right side in ten years farming my own land."

And in the face of the important evidence collected by Mr. Fox as to the position of the Lincolnshire tenant farmers, it is quite out of the question to believe that they accept their rents as satisfactory.

"Many farmers have told me that they would give up to-morrow if they could see their way to get a reasonable amount of their capital back, but that they dare not leave at present prices and go out with their valuation worth half what it was when they entered, in addition to the loss of other capital."

"The present position of the large majority of farmers is very critical, there being in most cases no margin of capital left to meet a bad year or any abnormal losses. Here and there a large farmer has a private income independent of farming, or a celebrated flock of sheep or herd of cattle for which fancy prices can be obtained, &c., but the greater number of farmers, whose sole capital is invested in their land, are in the position I have described."

Besides the striking series of accounts, Mr. Fox gives personal statements of responsible witnesses, such as the following:—

"People who have kept their land up to the mark have done it out of capital. During the last 10 years I have, on an average, paid 200*l.* a year out of capital."

Mr. Rew says of Norfolk: "Hundreds of men cannot break because they have not enough to break on. Their creditors let them go on in the hope of better times coming, and the landlords are afraid to stop them."

In Suffolk "more would quit if they dared, but are dipped too deep to move."

"Most farmers who have not had private means, or who have not had friends to help them, have gone. I am convinced that most of the labourers' wages have been paid out of capital."

"The majority of the farmers have been drawing on capital for the last 10 years. An average farmer cannot live on his farm at present prices and pay rent."

"I have farmed at a loss for the last 13 years. It is not a question of rent at all. We could not make it pay anyhow."

"No land in the county of Suffolk to-day is worth any rental save the very best, situated near a town or railway."

183. Having regard to the large amount of similar evidence from the districts most affected by depression, I think it cannot be seriously maintained that tenant farmers are at present in such districts satisfied with their rents.

In my opinion the expressions of acquiescence which have been quoted are mainly due to the desire of most of the farmers for a rise in prices which would enable the old conditions to be renewed, under which the margin was large enough to prevent any serious friction between the interests of owner and occupier, unless, indeed, the owner appropriated an unfair share of the returns in good times by greatly enhanced rents.

Further, an opinion crops up here and there in the reports that the loss from low prices is so great that rent does not really matter. If farms were held rent free, many farmers say they would not be making anything. But this is obviously an argument advanced not against the reduction of rents, but for an artificial raising of prices. It is impossible to suppose that any tenant seriously wishes to go on paying rent out of capital till he becomes bankrupt, and the arguments occasionally advanced from this basis in the interests of landlords are transparently absurd.

184. Another consideration must not be forgotten. There has been, without doubt, a certain reluctance on the part of some to give evidence publicly, or to state openly what they were willing to state privately to Assistant Commissioners.

Epton,
36,170-2.
Hutchinson.
Harrison.
Riley.

See pars.
128, &c.

Wilson Fox,
Lincolnshire,
pp. 50, 51.
See also
Epton,
36,091,
36,166.
Ferguson,
22,978, &c.

Wilson Fox,
Lincolnshire,
p. 60.

Evidence of
a large
farmer
quoted,
p. 62.

Rew, Nor-
folk, 35.

Wilson Fox,
Suffolk,
p. 57.
H. Biddell,
p. 57.

A. Smith,
quoted by
Wilson Fox,
Suffolk,
p. 57.

Tenant
farmers not
satisfied with
present rents.

Wilson Fox,
Lincoln-
shire,
Suffolk,
Cambs.,
Rew.

Farmers are
sometimes
disinclined
to speak
out.
Kidner,
2907.

Speir, Ayr-
shire, &c.,
p. 3.

Then Mr. Speir, in referring to excellent meetings held in the South-Western counties of Scotland, remarks, "While the public meetings in great part reflected the opinions expressed in private, they neither did so fully or forcibly, because many subjects could be discussed in private which it would have been injudicious to mention in public, and many gentlemen who spoke on the subjects under inquiry without reserve while in private, did not for various reasons wish to appear in public estate."

47,491.

Mr. Pringle also states, "I think the farmers speak more freely in private than in public"; and with regard to the worst instances of the unfair treatment of sitting tenants, statements were made to him confidentially which would not have been given at a public meeting.

47,852.

Existing
rents in
distressed
districts.
Wilson Fox,
Suffolk,
pp. 21, 22.

185. In view of the evidence as to the payment of rents out of capital in the depressed districts, the actual figures of existing rents are significant.

Thus, in Suffolk, in the Blything Union, the average of rent over the 92,316 acres is 14s. 8d. In the Plomesgate Union only 13·4 per cent. of the land is let at or under 10s. an acre. In the Sudbury Union 24 per cent. is assessed as worth 10s. an acre, tithe free. On seven large well-known estates, the existing rents are 13s. 6d., 12s., 15s. 11½d., 16s. 6d., 13s., 14s. 3d., 12s. 7d. On other estates, farms up to 100 acres are not quoted below 17s. 6d., and farms from 100 to 400 acres range from 8s. 2d. to 21s.

Wilson Fox,
Linc., p. 19.

In Lincolnshire, on 12 important estates, rents for farms from 100 to 400 acres are quoted by Mr. Fox, 10s. to 28s., 22s. 8d., about 15s., 25s. to 26s., 18s. 9d., 16s. 9d., 18s. 3d., 21s. 5d., 25s. 6d., 23s. 6d., and 25s., for fen farms where the landlord pays a drainage rate of 8s. Farms up to 100 acres are generally from 10 to 30 per cent. higher.

Pringle,
Beds, Hunts,
Northants,
p. 25.

In Beds, Hunts, and Northants, Mr. Pringle quotes existing rents as follows: fine feeding land 30s. to 55s.; inferior pasture, 5s. to 20s. Best fen land, 25s. to 35s.; best barley and turnip land, 20s. to 30s.; first-class clay loams, 22s. to 27s.; best class stiff clay, still well-farmed, 10s. to 20s.; second-class lands of all kinds from 9s. or 10s. to 16s. and 20s., and only the very worst clays at 2s. 6d. to 10s. Similar figures could be quoted for other districts. But these suffice to show that, even with a very liberal allowance for additional remissions in exceptional seasons like 1893 and 1894, it is wholly impossible that the majority of farmers are at present on anything like equal terms with landowners as regards a fair distribution of the economic loss. Having regard to the evidence as to payment of rents out of capital, and to the extraordinary figures disclosed in the farming accounts, it is substantially established that on many estates, even where considerable reductions have been made, the owners are still receiving an income which their land is not producing, while the tenants are really subscribing out of their capital to keep the estate and its owner going.

Conclusions
as to the
relation of
high rents
to depres-
sion.

186. A general review of this class of evidence should convince any impartial mind that, next to low prices, excessive rents have been the chief and most effective cause of agricultural decay, and are still the most effective check on agricultural recovery. Although the true economic meaning of rent is fully recognised by the ablest and most far-seeing landowners, and put in practice to some extent on their estates, in general the competition value has been taken, or, still worse, values which have long since become economically impossible, have gone on being exacted, partly as a matter of habit, partly because tenants were not in a position to give notice, and either get a fair reduction or escape. The degree to which the mischief has proceeded has largely been in proportion of the nature of the soil. Where the soil could be worked cheaply matters have gone less badly and held together better. But wherever the soil has presented serious difficulties the course of events has presented the same features. There have been sweeping changes of tenancies. The few instances where the old tenants have remained are where they have been men of means of their own, and not dependent merely on their farming capital. But, in general, the old tenants on the bad soils have been drained of their capital and have disappeared. In some cases the landlords have relet at once, at heavy reductions, long withheld from the old tenants; in other cases, they have had to painfully ascertain by their own experience in farming the land themselves, the amount of the losses they had been imposing on their old tenants for years past, and have at last let the farms to new tenants at heavy reductions, generally even then insufficient to give any real security to the new comers.

It cannot be seriously doubted that under the existing system many thousands of conscientious intelligent farmers have been used up and swept away, because the full force of the economic pressure has been thrown upon their resources, which were

admittedly only sufficient for the actual working of the soil. It is equally clear, from our inquiry, that at the present moment, in every district of the country there are still many men who have done well by the land, who are being gradually deprived of their capital and brought to ruin. Mr. Pringle gives a description of this class of men which we believe will hold good of many counties in Great Britain.

"There are any number of farms still well managed and producing as much as can be secured by liberal farming, where for years there has been a steady loss on each year's transactions. This has been possible simply because private capital and the savings of the good times are being burned up in this unquenched fire. 'A relation of mine,' says one of these men, 'has lost 20,000% on 1,000 acres during the last 14 years. The only upper class farmers who have survived are those who, like myself, are independent of their farms.'"

Beds.,
Hants.,
Northants,
p. 55.

I wish to press, with all the force the accumulated facts of this inquiry supply, the contention that the history of the past depression, and the present position of the working farmers upon the land, calls for urgent and immediate action of Parliament.

187. I am also profoundly convinced that, if the present opportunity is not seized to give by legislation fuller protection to the capital invested by tenants in cultivating and improving the land, and to establish sound business relations between landlord and tenant, and a workable machinery for guarding and vindicating those relations, a large proportion of the present occupiers will probably be brought to ruin before the rents are re-adjusted to prevent this result. Further, if prices improve, and confidence revives, I believe that the full benefit of this improvement will rapidly be transferred to the landowners, and that, on the probable recurrence of bad seasons and low prices, the tenant farmers of that time will again be exposed to the same exhaustion of their profits and their capital. I am of opinion that the features of these depressions, and the necessarily disproportionate losses imposed on the occupiers, at the time things go wrong, are now so clearly established, that it would be not only unjust to existing tenant farmers to postpone legislation any longer, but in the highest degree inimical to the future interests of agriculture.

Urgency of
this question.

Pringle,
Beds.,
Hants.,
Northants,
p. 60.
186, 187.
M'Connell.

CHAPTER XII.

THE AGRICULTURAL HOLDINGS ACT (1883).

188. The only serious attempt to check some of the evils resulting from the existing system of tenure, and to give a certain amount of security to the position of tenant farmers in investing their money in the soil, has been the Act of 1883.

The principle of the
Agricultural
Holdings
Act.

The Act of 1875 may be dismissed from consideration. At best it was a mere record of some of the existing customs, and it was at once made null and void by the contracting out clause, of which landlords promptly availed themselves.

The working of the Act of 1883 has been very generally condemned by witnesses of all classes, the substance of whose evidence is summarised in the following paragraphs.

The principle of the Act was that an outgoing tenant should be entitled to recover from the landlord, as compensation for any improvements legally made by him on his holding, the full value that the improvements would represent as a benefit or aid to an incoming tenant in entering on the holding.

With regard to the more permanent improvements, such as buildings, roads, bridges, and important alterations in the character of the holding, the consent of the owner is required, but this limitation does not alter the principle of the Act, which is to secure to the tenant a property right in the full value of his improvements.

This principle is, in my opinion, sound and just to all parties. In the first place, it treats compensation as a debt to be paid to the outgoing tenant by the landlord, and not by the incoming tenant; in the second place, it secures to the outgoing tenant the full market value of the improvement; and, in the third place, it sets no time limit whatever on the duration of an improvement, but gives the outgoing tenant an absolute right to get the full remaining unexhausted value of any improvement, however long the period since it was carried out, if any remaining value can be shown to exist. It in effect created by statute a property for the tenant in the whole added value his outlay or labour, so far as such outlay was in accordance with the Act, may have contributed to the holding.

189. The chief defects of the Act were that it provided no machinery to work out this principle effectively and equitably, and that it limited the application of the

The essential
defects of
the Act.

(i.) No effective machinery to carry out principle. Sheldon, 21,686-8.

principle of the Act—the securing of the ownership by the tenant of his own improvements—to one class of tenants only, those who are leaving their farms.

The result of the first of these defects has been that in the working of the Act the existing class of valuers have nearly everywhere in practice set aside its principle, and instead of estimating compensation for the whole of the improvements executed on a farm at whatever date, if any remaining value of such improvements can be shown, they have substituted for the principle of the Act, time scales of exhaustion for fertilisers and feeding stuffs and other improvements, and have rigorously limited compensation to the expenditure of the tenant in the last two or three, or in the case of some manures, four to six or seven years. Further, they have in general paid no attention whatever to the manner in which such improvements have been carried out, and have simply applied a rule-of-thumb calculation to the actual bills for cake and manure, without considering the quality of the farming.

Results of the perversion and evasion of the principle of the Act.

Ballingall, 54,152-9. Riddell, Kidner.

190. Of many evil consequences of this perversion of the principle of the Act, that most frequently and most cogently insisted upon by witnesses is that the working of the Act has put the bad farmer on a safer footing than the good farmer. It has been established by the evidence that by the working of the Act in practice bad farming is encouraged, as the worst type of farmer may exhaust the fertility of his farm for years and still obtain compensation by expenditure in the last years of his tenancy, and good farming is discouraged, because the best farmer enriches his land to the utmost in the first years of his occupation, and requires less outlay afterwards to maintain the fertility, but only receives a small proportion back of the outlay of the last year or two, while the previous outlay is in practice ignored. The bad farmer gets more for half spoiling his farm than the good farmer has a chance of getting for a long continued and ample expenditure in generous treatment of the soil, which, wisely done, increases for many years after the productive powers of the farm.

Wilson Fox, Glendale, p. 21.

Mr. Scott says: "The mere fact of a man spending some money at the end of his time does not of necessity do the land any good. The man who has farmed well all through under the Act gets no more than the man who has farmed badly and puts manure on at the end. The Agricultural Holdings Act is an Act for rogues."

Ferguson, 22,946-7. Simpson, 16,950.

In the second place, the intention of the Act has been to a great extent defeated, at any rate in England, and the debt of the landlord to the outgoing tenant has been transferred to the incoming tenant. The Act contemplated a settlement between the two former parties, and this seems to have been carried out in Scotland, but the practice, in England, under the customs of most counties, of the incoming tenant paying for tillages, and in some cases crops, has been either kept up as regards improvements, or extended to them after the passing of the Act. This may inflict injustice on both outgoing and incoming tenants. A Wiltshire farmer says: "The outgoing tenant should have to do with the landlord and should not be handed over to the incoming tenant. This is a very convenient way of getting out of landlords' responsibilities." Cases are given where landlords have sold farms and handed their tenants over to the new owners, who promptly repudiated the debts which should have been paid by the old owners.

Rew, Salisbury Plain, pp. 21, 22.

Read, 16,417.

Nunneley, 56,391-5.

On the other hand, if the new rent represents the full market value of the farm, and thus includes the remaining value of the improvements, as is probable, it is clear that the incoming tenant is paying twice over for the improvements. Such a diminution of his capital must be prejudicial to agriculture, as well as inherently unjust.

Thus the intention of the Act to secure to the tenant a full property in the value of his improvements has been defeated, both for outgoing and incoming tenants, by the blunder of leaving an important reform in the hands of valuers of the old type, who were habituated to the working of the old system which the Act was meant to supersede. The proper course would obviously have been to create a new machinery adapted to carry out instead of leaving the new principle to be perverted and evaded.

Essential defects of the Act. (ii.) No protection to the tenants who most needed it.

Letter to the "Times," April 4, 1883.

191. The much more serious defect of the Act of 1883, in our opinion, was that it limited the principle of property in improvements to tenants who were quitting their holdings, and made no provision for giving a similar security to tenants remaining in their holdings.

Sir James Caird protested in 1883, when the Bill was brought out, against this limitation, the effect of which was that Parliament was legislating not for the best but for the less deserving tenants. In our opinion the evidence brought before us shows that the forecast of Sir James Caird of the results of excluding the cases that ought to have been provided for has been verified.

Sir James Caird urged against the Bill of 1883 that it did not protect just the men you really want to protect, and did not do what it was intended to do, and continued: "unless the interests of the sitting tenants, who are the real backbone of British agriculture, are equally recognised and dealt with, the Bill will fail to give that security which would promote good farming and justify legislative interference with contracts."

The theory of the framers of the Act of 1883 was that it was sufficient protection in practice to give a tenant the right to full compensation on quitting, and that the possession of that right and power of exercising it would enable him to enter into a bargain with the owner on an equal footing, when the rent and other conditions of tenancy had to be settled between the two parties on the renewal of a contract of tenancy.

The evidence of practical farmers given before us, and the general complaints on this point in the sub-commissioners' reports show that this result was not obtained, that the sitting tenant has not in general been able to make as good terms for himself as a new tenant, and that the full force of competition has been concentrated on the best farms where presumably there has been the heaviest outlay in tenant's improvements, and that, in consequence, the sitting tenant, instead of being able to retain for himself the value of his improvements, has had to acquiesce in its constant appropriation by the landlord.

192. Before examining in detail the evidence as to the results of these two leading defects of the Act, and the evidence as to specific complaints as to many other defects in the Act, and its working, it will be convenient to state to what extent, and in what way the Act has been operative.

One effect of the Act has been the introduction of clauses in agreements securing beforehand some compensation for improvements not previously protected. By Section 5 of the Act, agreements of this nature are treated as a substituted form of compensation, and are admissible if "fair and reasonable."

Very grave exception is taken by some Scotch and English witnesses to this system. The landlord is the stronger party in bargaining, and will impose his own terms. It is also urged that such an agreement involves the rigid application of time scales of exhaustion, and so tends to prevent the tenant from getting a fair compensation for long continued good farming.

"There should be no contracting out; neither landlord nor tenant can foresee improvements that could be made in the course of 19 years, and the result of agreements would be to limit the improvements; the tenant would not put his money into improvements that he was not to be compensated for."

Mr. Lander's objection is rather that a time scale should be put in express terms into the Act, on the same method as in the Act of 1875, instead of leaving the scale to be settled under pressure of private bargaining. Mr. Kay takes the same view, but it is not generally held.

Other witnesses strongly approve of the principle of arranging compensation beforehand by agreement, on the ground that they thus avoid the uncertainties of arbitration under the Act.

In any case it would seem expedient to remove the uncertainty that exists as to the provision of Clause 5, and to state definitely, in any amended Act, that the question of whether compensation under an agreement is "fair and reasonable" shall be determined in the same way as any other differences between landlord and tenant under the Act, and that an agreement fixing a time scale of exhaustion of specified improvements shall not bar general compensation for the high condition resulting from long continued good farming.

193. In its direct application, the evidence shows that in many if not in most districts the Act is practically inoperative.

"In Norfolk, not one per cent. of the tenancies changing hands come under the operation of the Act." This is the more remarkable as there is no local custom as regards tenant right, "that is the reason why we want it most, and we get it least." "In Lincolnshire, there are very few estates under the Act. The custom of the country is considered quite as good as the Act."

In Suffolk "we treat the Act with contempt, none of us ever once think about it. The custom of the country gives us all we could get from the Act without the bother."

The Lincolnshire custom is preferred from the ease and certainty of the procedure and the comparative liberality of the scales of compensation adopted, the general type of which is fully given by Mr. Wilson Fox.

A. Spencer,
Herts,
p. 21.
See paragraphs
143-7.
A. Spencer,
Oxfordshire,
p. 25.

How far the
Act has
operated and
in what way.
Agreements.

Rowlandson,
17,437, 17,524.
Funchard,
14,586, 15,174.
Bear, 27,578.
C. S. Read, 16,143.
Wilson Fox,
Glendale, p. 19.
Holzmann, 5843.
Fyshe, 54,091,
54,090.
Speir, 46,867.
Sheldon, 21,020-8.
21,813-30.
Ballingall, 54,205.
Biddell, 54,586.

Lander,
33,513-23.
33,662-4.

13,996-14,000.
Bowen Jones,
44,078.
Ferguson, 23,145.
Hutcheson,
24,443.
Roberts, 55,985-7
Gichrist, 53,091,
&c.

Inoperative
very
generally.
C. S. Read,
16,140.
16,142.
E. Turnor,
14,405,
14,440.

Wilson Fox,
Suffolk, p. 24.
Huskinson, 954,
1179, 1222.
Wilson Fox,
Linc., pp. 25, 26
35, 93d.

Lopes, 17,257.
 Fream, p. 12.
 Wilson Fox,
 Cambs., p. 79.
 Wilson Fox,
 Suffolk, p. 23.
 H. Biddell,
 39,418.
 Rew, South
 Wilts, p. 20.
 Pringle, Beds.,
 &c., p. 64.
 Rew, Dorset,
 p. 26.
 Rew, N. Devon,
 p. 23.
 31,172.
 30,051-2.

41,289.

2323, 2461,
 2470.

8063, 8068,
 8153.

Wilson Fox,
 11,329.
 Worthington,
 12,553.
 W. Smith, 12-301.
 9418-29.

Scotch experi-
 ence of the Act.
 Ferguson, 22,940.
 Balston, 24,883,
 25,007.

Hutcheson,
 24,455.

W. Bell,
 26,307.

Speir, Ayr-
 shire, p. 19.

Report on
 Roxburgh,
 &c., p. 54.

Stuart,
 51,886.

Roxburgh,
 &c., p. 38.

Costly and
 uncertain pro-
 cedure.
 Davidson, 51,157.
 Wilson Fox,
 Garstang,
 p. 19, 21.
 Gilchrist, 53,038.
 Oliver, 37,570-1.
 Riddell, 54,527.
 Dobson, 13,202.
 Worthington,
 12,701.
 Kay, 13,972.
 Sheldon, 21,875.
 Fream, Andover,
 p. 12.

Wilson Fox,
 Garstang, p. 36.
 Pennant,
 57,401, &c.

Middleton,
 2326-7.
 Elder, 53, 182.

Rowlandson,
 17,525.

Carrington
 Smith, 8067.

Worthing-
 ton, 12,556.

Simpson,
 16,930-43.

Hutcheson,
 24,455.

H. H. Scott,

30,160.

Mr. Epton, on the other hand, thinks the Act is being more used in Lincolnshire. The Act is not utilised in Sir Massey Lopes' district of Devonshire; it is treated as a dead letter in the Andover district. From South Wilts a valuer of experience says the Act is "unworkable," but did considerable good by forcing bad landlords to give tenant-right. "The Act is everywhere described as a complete failure. The general opinion is that it falls far short of its intentions and pretensions." The Milborne St. Andrew's Farmers' Club in Dorset states "the Act is quite a dead letter, tenants recognising it only as a means of being fleeced." In Berkshire "farmers generally seem afraid of it." In North Devon there seems more disposition to use the Act.

Mr. H. H. Scott takes a more favourable view of its working. "The depression would have been accentuated had it not been for the Act; and is of opinion that an outgoing tenant keeps his farm in better condition owing to the Act." And, in Huntingdonshire, Mr. Looker, an agent, says the Act is repeatedly called into operation.

Mr. Middleton considers the Act has been to some extent a failure, more in the carrying out of it than the Act itself.

Mr. Carrington Smith considers the Act is practically inoperative.

In Lancashire the Act has been but "little put in force, and in recent years has ceased to be acted upon."

From Scotland we have various comments.

"The Act has been a benefit, and the recognition of a good principle, but farmers are beginning to be afraid of it."

"It is too expensive and cumbrous in its working."

"The Act is a dead letter in Forfar; too much formality and expense."

The Act is disliked by landlords, and the position of the tenant under lease who wishes a reduction of rent, Mr. Speir states, is made use of frequently by landlords to contract themselves out of the Act, the tenant agreeing to forego his claim under the Act on receiving an abatement in his rent.

Mr. Hope says: "When the present Act was passed, it was regarded as a great boon to British agriculturists. The principle of the Act is admitted to be sound, but it is universally felt that the Act has conspicuously failed to secure the main ends for which it was intended."

"The Agricultural Holdings Act should be improved out of existence. Its principle and intention seem fairly good, but it utterly fails to secure tenants' improvements.

And the main portion of the able evidence given by Scotch witnesses at the sittings in Edinburgh was directed to urgently-demanded amendments of the Act. It is obviously in much wider operation in Scotland than in England, and a much closer attention has been given to the subject.

Mr. Hope represents the general opinion that "the thorough amendment of the Agricultural Holdings Act, as the only certain means of giving tenant farmers the fullest encouragement to invest their capital in developing to the utmost the resources of their holdings, is by far and away the most important measure that can be passed by Parliament in the interests of agriculture."

194. The procedure of the Act is very generally condemned as costly, cumbrous, and uncertain. "The expenses of working the Act are far too great." Mr. Riddell's important compensation case cost him 200*l.*, though he was not charged a penny by his own witnesses, the award being 1,063*l.*

A Lonsdale farmer says: "We want some easier and cheaper way of obtaining compensation for improvements."

"Tenants are afraid of litigation; what is wanted is a simpler form of settlement."

"Lawyers are called in, and a great many witnesses examined, who might be dispensed with," the remedy would be a "single arbitrator appointed at once."

"The expenses are excessive, especially where you come in contact with the antiquated forms of agreement."

"Both landlords and tenants prefer not to conclude tenancies under the Act, because of the fearful amount of legal uncertainty."

"It has been found both dilatory and expensive, and has spread dismay amongst the farmers as regards the Act."

"The expenses include cost and entertainment of witnesses and of referees; a valuer away from home two or three days requires from 20 to 25 guineas."

"I never saw a man make anything out of a claim under the Act; he might win the day, but he was in reality a loser."

"The expense is extreme—there is no end to the witnesses."

The Act does no good except to the arbitrators; "if you get them sitting, you cannot get them up again. If you make a claim, the landlord will make a counter-claim, and then they go to arbitration, and so waste all the money."

"The procedure is costly and risky."

Mr. Speir says procedure must be made much simpler, and you must have an official valuator.

"The real difficulty is that the landlord's counterclaims are generally excessive, and lead to a lot of expense."

Mr. Kay states that in a "friendly arbitration" "he was awarded, as tenant, 125l., while the landlord's counter-claim was cut down to 30l., but each side had to pay 30l., besides all the private witnesses' expenses, and this for only two days' work."

Mr. Davidson refers to a case in Scotland where an award of 200l. cost 150l. in the expenses incident to the arbitration. He adds: "as a general rule the arbiter's fees are a comparatively small proportion of the whole expenses in those cases where there has been complaint as to the great amount of expense."

195. The dread of extravagant counter-claims has, it is proved, deterred tenants from claiming under the Act.

The landlord has not only two months to think out his general claims for deterioration, but has a fortnight to consider his counter-claim after he has seen the tenant's claim in its details.

"It follows," says Mr. Stratton, "that the person who sees his opponent's cards before playing his own is sure of winning the game."

"The counter-claim is always regulated by the amount of the tenant's claim."

"The tenant has almost always been swamped by a counter-claim, which always exceeds the tenant's claim."

Mr. C. S. Read says that a claim under the Act is treated "like a declaration of war." "Instead of its being accepted as a matter of course, land agents hunt up every possible dilapidation and default on the part of the tenant. I have seen one claim on a small farm of no less than 96 different dilapidations brought against the tenant."

"I am quite convinced that the way in which counter-claims from landlords have been admitted has so frightened the tenants that they, you might say, bounce the tenants out of their claim altogether. No sooner does a tenant make a claim, than the counter-claim of the landlord is put in considerably above the amount claimed."

Counter-claims "have no limit according to the interpretation put upon the Act by the valuers of Norfolk." While the tenants' claims are backed with vouchers and receipts, the counter-claims are largely speculative.

The tenant's claim is therefore necessarily limited, while the counter-claim is unlimited. And we have had to note that while there has been little evidence to the effect that tenants' claims are often exaggerated, the evidence is almost unanimous that the counter-claims are generally enormously in excess of what an impartial arbitrator is likely to allow.

Mr. Davidson refers to a case where the counterclaim of a landlord amounted to 1,200l. "I ventured to suggest 25l. as a proper sum, and I think 30l. was the award."

In another Scotch case, the claim of the tenant was 60l., and the landlord lodged a counter-claim for 120l. Mr. Dickie, as arbitrator, "looked upon that 120l. claim as an attempt pretty much to block the tenant's claim, and only awarded the landlord 2l. 2s. Some of the items were farfetched, and some quite fictitious."

A valuer with one of the largest practices in Hampshire states that he never knew but one instance in that county in which a claim having been made under the Act, it was not met by a counter-claim considerably greater.

Mr. Adams says that not one farmer in 20 dare make a claim because he knows a counter-claim will be lodged, whether fair or not. While there is much evidence to the effect that when the reference is completed, the counter-claims are usually cut down to a moderate limit, we have no doubt that the effect of these altogether disproportionate demands on the part of the landlord has had a most serious effect in deterring tenants from making use of the Act.

196. Similar effects are attributed to the restrictive covenants, generally coupled with penal rents for their breach, which are still found in most agreements to let agricultural land.

Some of these documents, especially in Scotland, are stated by Mr. Speir and other witnesses to be expressly designed "to break the Agricultural Holdings Act, and make

Hutchinson,
43,780-2.
43,995.

Ferguson,
23,084.
46,843.

Oliver,
37,633-5.

13,973.

51,013.

Counter-claims
and their deter-
rent effect.

Middleton, 2461.

Carrington,
Smith, 9800-9811.

Dobson, 13,125.

J. Stratton,
6634-5.

Kay, 14,014.

Harrison, 1377,
1532, &c.

Worthington,
12,701, &c.

Read, 16,079.

16,140.

16,233.

16,236-7.

Fyshe,
53,867.

51,021.

Dickie,
52,350.

52,391.

25,744.

25,860.

42,133.

Druce,
19,956-63.
Stuart,
51,891.

Restrictive
covenants
and penal
rents.

Hannah, 51,203.

46,894.
Speir, Ayrshire,
p. 10.
47,135.
51,215.

Hanwell, 51,198.
46,807.
46,902.

its working null and void." There are special manuals instructing factors how to frame clauses for leases which set aside various provisions of the Act. These covenants are illegal, but tenants are compelled by the keen competition to sign anything to get a farm.

Speir, Ayrshire,
p. 32, App. XI.
46,845.
46,922-3.

A number of such covenants are quoted. One of these ousts compensation for manures by a stipulation for the application of 70 cubic yards of farmyard manure per acre (whereas 30 would be a large amount) and limiting compensation to any excess over that impossible quantity. "Such clauses strangle agriculture."

McConnell,
55,346-7.

Another covenant excludes the time limit of four years for "waste" in estimating counter-claims.

Speir, Ayr-
shire, p. 33.
46,930.

Mr. Speir says that during his inquiry he "had a great pile of leases sent in to me, most of which contained objectionable clauses" of this nature with the obvious intention of nullifying the Act, by enabling the landlord to raise counter-claims.

51,209.

51,201-2,
&c.

51,239.

Covenants are quoted setting aside (1) the right to apply artificial manures at all without consent; (2) the right to remove fixtures; (3) the right of the incoming tenant to compensation at the end of his lease; (4) the right of the tenant to execute or compel his landlord to execute drainage; (5) "no counter-claim in respect of deterioration or breach of covenant shall be barred in respect of such breach of covenant, or deterioration occurred more than four years before the determination of the tenancy." And these are not merely in old leases, but have been recently and are still being signed under pressure.

51,290.

51,262.

53,480-1.
See Fyshe,
53,874-9.

Mr. Guild states that penal rents or clauses work very unfairly and often defeat just claims. Leases should be put on the same footing as other contracts, viz., actual damage. "The penal clauses are always enforced where we have a claim to meet under the Agricultural Holdings Act, not otherwise."

53,611.
Fyshe,
54,038-43.

The frequency of covenants and agreements which oust the operation of Act creates obviously a strong feeling in some witnesses even against agreements for substituted compensation, the only form of agreement in lieu of the Act contemplated by the Act. The landlord uses competition and pressure on the tenant to contract himself out of the Act.

Ballingall,
4,183-6.
See Speir, Ayr-
shire, p. 139.
Also paragraph
, of this Report.

Again, in the hard times, landlords have in "many cases" made reductions during a lease only on the express conditions that tenants should forego compensation for improvements at the end of the lease.

Such a condition would possibly be held to be illegal, but in any case, it is, in our opinion, unjust that, in an ordinary lease which is not drawn up as an "improving lease," a tenant should thus be compelled to pay himself for the reduction made indispensable by the fall in prices.

Davidson,
51,061-3.
See Guild,
53,502-3.
51,063.

Technical breaches of such covenants, whether legal or illegal, are used as a pretext to increase counter-claims, or to hold over the tenant the dread of large and indefinite liabilities. Mr. Davidson has given two or three decisions to the effect that a rent receipt handed to the tenant subsequent to any such alleged breach of covenant should be held to bar claims for damages. But it is doubtful whether such a decision would be supported in the English courts.

Pringle,
Essex, p. 35.

It is complained in Essex that landlords and agents make no objection to breaches until the moment for a claim for improvements arrives, when they base their counter-claim upon what they tacitly acquiesced in. It is urged that in such cases the right to include such items should be held to have been abandoned. The penalties attached in covenants to cross cropping (ranging from 10*l.* to 50*l.* an acre for ploughing up pasture, and from 5*l.* to 20*l.* an acre for repeating a grass crop oftener than once in four years, from 5*l.* to 10*l.* for lopping trees, &c.), would entirely annihilate any claim for improvements, and farmers are frightened out of claiming, even when the landlord has suffered no damage.

Wilson Fox,
Suffolk,
pp. 27, 28.

English valuers differ on this point. Two leading Suffolk valuers hold, the one, that a landlord who has knowingly let things go, can claim nothing, the other, that the claim is good unless the breach of covenant has been formally condoned.

Wilson Fox,
Lincoln,
p. 27.

In Lincolnshire, some valuers take Mr. Davidson's view, and hold that under a yearly tenancy dilapidations should not be allowed for more than one year. The Lincolnshire Chamber of Agriculture stated that "after a receipt for rent, there should be no further claim." But this was contested by leading land agents.

At Devizes, Mr. Spencer found opinion was that restrictive clauses were generally inoperative till a tenancy was being determined when they were put in force.

Fream, Maid-
stone, p. 10.

A Kentish hop grower, quoted by Dr. Fream, says of these restrictive and penalising agreements, the tenants sign the agreement and "trust to Providence the landlord will not enforce them."

"Many of the farmers whom I visited," says Mr. Pringle, "were absolutely ignorant of the conditions of agreement which they had signed on entry. More than one had not gone the length of reading the document."

Pringle, Beds, &c., p. 24.

197. The evidence is uniform that, in practice, the full amount of penal rents for breach of covenant cannot be recovered, but are almost invariably cut down to the amount of actual damage proved.

The use of the power to apportion costs adversely to the party where claims are least reasonable probably has had some effect in lessening the evil of excessive counter-claims.

Further, it has been decided in the case of *Holmes and Formby*, that the claim of the landlord under the Act can only be taken into account by way of reduction of the claim of the tenant, and even if, as in that case, the sum awarded to the landlord under the reference exceeded the sum awarded to the tenant, the umpire has no power to award this overplus to the landlord, and the county court has no power to enforce such an award.

Limitations. Davidson, 60, 100. Wilson Fox, Suffolk, p. 27. Wilson Fox, Cumberland, p. 17. Davidson, Guild. See Rew, Norfolk, p. 51.

198. While these considerations operate to restrict the resulting mischief to some extent, I am convinced that there is a far too widespread survival of covenants in leases and agreements which are wholly inconsistent with modern requirements and with modern law. In my opinion this survival is, to a large extent, part of a policy of retaining a maximum of power over tenants, so that if any dispute arises the dread of the results of a breach of one of these covenants may bring the tenant to submission whether as regards rent or game preserving, or any condition of tenancy. An essential part of this policy has been to put obstacles in the way of the Agricultural Holdings Act, and to limit the possible compensation obtainable under it.

Conclusion.

I am of opinion that this is prejudicial to the full development of agriculture, and that any amending Act to be of value must remove or lessen as far as possible these opportunities for putting unfair pressure on tenants.

199. It is universally recognised by tenant farmer witnesses, as well as by others, that adequate protection must be given to the landlord's as well as the tenant's interests, and that what should be arrived at is to place the two parties on a fair and equal footing.

Remedies suggested. Rew, Salisbury Plain, pp. 20, 21.

The remedies suggested are several:—

- (1.) That notices of claim for improvement by the tenant and for deterioration by the landlord should be put in on the same day, so that neither side should see the claim of the other.
- (2.) That the heads under which the landlord can claim for deterioration should be specifically scheduled in the same way as the tenant's claims for improvements.
- (3.) That the present limitation of "waste" in the Act to the last four years of the tenancy should be further restricted to the last two years.
- (4.) That at the beginning of every future contract of tenancy a record should be made of the condition of the farm, the state of the buildings, fences, roads, and the cultivation of the several parts of the holding.

200. There is a strong consensus of opinion as to the first suggestion, which has long been advocated by the Central Chamber of Agriculture and is now recommended by its committee. The suggestion is that notices should be given simultaneously by both sides.

It is hoped that the removal of the opportunity of capping the tenant's claim by a long list of dilapidations deliberately concocted in order to exceed the tenant's claim for improvements, and so to deter him from proceeding further, will have the result of compelling landlords and agents to put in practical demands on their merits. This hope is almost universally expressed by the tenants examined.

The date at which the simultaneous notices should be sent in, suggested by the Central Chamber of Agriculture and by a majority of witnesses, is 28 days before the determination of the tenancy. Many witnesses, however, would prefer other dates. Thus Mr. H. H. Scott prefers a date at or about the time of quitting, or within a month after quitting. Several witnesses assent to a date after quitting. One Scotch witness suggests, in reference to the Scotch Act, that the date of notice should be not as now four months but six months before quitting, while other Scotch witnesses suggest that claims on either side should be submitted within three months after the determination of the tenancy. In his report on Roxburgh and other counties, Mr. Hope says: "If both claims are put into neutral hands on the same day, it is thought that there would be less tendency to rake up vexatious counter-claims." But the compromise of one month before quitting has most support, one obvious reason being that the tenant

Notices of claims to be simultaneous. Lipscomb, Rowlandson, 17,454, 17,510. Carr, Smith, Hutcheson, 24,580. Druce, 19,958, &c. Hutcheson, 24,578. Spier, 46,875. Turner, 11,692. Read.

Rowlandson, 17,627. Punchard, 14,903, 15,026, &c. Davidson, 51,052. Jas. Hope Report, Perthshire, &c., p. 20. Roxburgh, &c., p. 40.

still has time before quitting to make good a number of dilapidations as to buildings, fences, ditches, drains, &c. for which the landlord may have claimed.

As to the frequent difficulty of different portions of the holding being given up at different periods, it is suggested that the date for notices should either be 28 days before the last portion of the holding is given up, or that separate notices should be given 28 days before each portion is given up.

Vol. III.,
App. VIII.,
p. 626.
Rowlandson,
17,457.

The Committee of the Central Chamber also recommend that "the landlord shall have power, within 14 days after the determination of the tenancy, to amend his claim in respect of dilapidations to buildings occurring after the notice of claim has been delivered."

South Wilts
Chamber of
Agriculture.
Rew, Salis-
bury Plain,
p. 20.
"No after
claims."
Read, 16,082.

While approving of the general recommendation as to simultaneous notice, I am disposed to think that such a proviso would tend to nullify its object, and would lead to disputes and litigation by a revival of the counter-claim mischief in a more restricted form. I am of opinion that fair, prompt, and amicable settlements will be best arrived at by basing the landlord's claim on an inspection of the farm and buildings prior to the date of notice; and that the reopening of claims on either side after that date is unnecessary and prejudicial.

I am also of opinion that it would be shorter, simpler, and less likely to lead to litigation if the items of the claims and counter-claims were sent in in the first instance, instead of after a preliminary notice.

Scheduling
items of
claims for
dilapida-
tions.

Lipscomb,
20,524.
Hay, 14,001-11,
14,023-43.
Read, 16,008.
Druce, 20,035.

201. It is also suggested by the Central Chamber that landlord and tenant would be placed on an equal footing, and counter-claims would be more likely to be strictly limited to the facts, if there was a schedule of dilapidations for landlords, in the same way that there is now a schedule for improvements for tenants. Mr. Druce, who thinks the schedules unnecessary, holds that, if there are to be schedules, there should be one for the landlord's claim as well as for the tenant's.

Vol. II.,
App. VII.

Mr. Read is strongly in favour of this proposal, but apparently his chief reason is that the landlord has, in his common law right, a second string to his bow. This common law right cannot be got rid of, and I am disposed to think the suggestion of the landlord's schedule is of little practical value, and that conceivably it might even lead to an ingenious expansion of landlords' claims instead of limiting them. The mere setting forth in an Act of such a schedule as that recommended by the Committee of the Central Chamber might be held to justify claims for specific deteriorations, which were largely due to unfavourable seasons like the wet season of 1879, or the drought of 1893, and for which tenants could not fairly be made accountable. Further, so long as rents are not brought into a reasonable proportion to the value of the produce obtained from the holding and to farming expenses, I am strongly of opinion that money is now being paid in rents which, under other circumstances, would have been applied in keeping up the farm, and that, in practice, this is recognised on a large number of estates at the present time, on which it is in evidence that repairs for which tenants are liable by their agreements are now being carried out by the landlords.

Again, what the tenant claims for are specific acts of improvement, while much of the matters raised in the suggested schedule for landlord's claims are matters which may or may not have resulted, not from acts committed by the tenant, but from omissions on the part of the tenant.

What seems to us most conclusive of all against this proposal is that the schedules in the case of the tenant are only rendered necessary because improvements must be classified. If tenants were perfectly free to make any improvement of their own motion and get compensation, there would of course be no schedules. But this reason does not hold of the landlord's position.

Claims for
waste to be
limited to
last two
years of
tenancy.

202. The third suggestion that the present limitation (in section 6 of the Act) of the landlord's claim for waste to the last four years of the tenancy should be further restricted to the last two years is generally supported in the evidence.

Long,
25,473.

While not endorsing all the considerations already adverted to in paragraph 125, on this point, or adopting the suggestion that a receipt for rent should be held to wipe off possible claims for waste, I think that good farming will be promoted if landlords give timely notice to tenants as to any act or omission which is likely to deteriorate the holding, that the failure to so give notice ought to be held in general to bar the landlord's claim on the matter in question, that in any case two years is a fair period to fix, and that any damage caused before ought to have been dealt with by the owner at the time.

Several witnesses who are in favour of doing away with time scales for tenant's improvements, and wish to secure for the tenants a right, unlimited in time, to

the unexhausted value of their improvements, have stated that in their view it is necessary to apply the same principle to landlords, and on the one hand to give compensation for increased fertility, and on the other for decreased fertility, without any time limit whatever. I think that these witnesses have not considered the essential difference in the position of the two parties. The tenant is debarred from obtaining any form of compensation for his acts of improvement at any time during the course of the tenancy. Under the present law he can recover nothing, unless he actually quits the holding. Even if the proposals as to the compensation of the sitting tenant recommended in later paragraphs were adopted, compensation could only be obtained at the determination of the tenancy, in the event of the terms of the tenancy being modified. The position of the landlord is wholly different. He can at any time, under the powers of the common law, take action against the tenant for deliberate acts of "waste," or for damage caused by the breach of any covenant. He has only himself or his agent to blame if he has not also, under the specific covenants of the lease or agreement, protected himself from "permissive waste" on the part of the tenant. In my opinion it is more to the interest of all concerned, that matters of this kind should be dealt with as they arise, and that large and indefinite liabilities for an unlimited time should not be kept hanging over the heads of tenants.

203. Few suggestions made to us have been so strongly supported as the proposal that the exact condition of a farm, at the beginning of a tenancy, the state of the buildings, roads, fences, drains, and other equipment, and the cropping and quality of cultivation of the several fields should be recorded in a scheduled form, which can be referred to as evidence at any future period, as to whether the holding has been improved or deteriorated.

Such a scheduled record or inventory is held to be the best practical starting point, and that, even if the original surveyor or valuer dies or is unable to report at the determination of the tenancy, it would approximately meet the real difficulty.

Mr. Read suggests that the valuers at the entry should state whether the land was foul or clean, in a high state of cultivation or impoverished. Such a record would protect the landlord as well as the tenant. Mr. Rowlandson thinks the cost of such a survey and record would only amount to about 10 guineas for a 400 acre farm, and that it would be money well spent.

To facilitate the adoption of this system, the Committee of the Central Chamber recommend that every award should include a record of the condition, and when there is no award, it might be made an essential part of every agreement. Mr. Parton suggests that the record should be retained by some Government official, and would extend the principle to the recording of any first class improvements effected by the tenant with the landlord's consent.

Some of the witnesses are clearly of opinion that such a record could be made to act as a real measure of the improvement or deterioration afterwards. Thus, Mr. Lander, Mr. Reynolds, and others say, that on quitting, the tenant should either receive from the landlord or pay to the landlord the money value of improved or deteriorated condition.

Mr. Olver thinks this system would create a sense of security and confidence, and promote good farming.

Mr. Pringle says that, in the South Midlands, "the scheduling system" is universally accepted both by landlords and tenants, and that it is also wished that "at any time during the currency of a lease or tenancy it should be in the power of either party to have an intermediate report drawn up by the district arbitrator." . . . He adds:—"By this system two very necessary and important points would be gained. (1.) If a landlord proposed to raise the rent on a holding increased in letting value by the improvements and exertions of the tenant, the tenant could, by having the holding re-scheduled, prove to the landlord that before an increase of rent could be obtained, it would be necessary for them to pay as compensation the capital sum upon which the increase of rent would be the interest. . . . (2.) It would enable the landlord to put a stop to spoliation and deterioration. A second report may be obtained as soon as improper farming is observed, and the landlord will thus get rid of a bad tenant, and get his compensation for deterioration as decided by the first and last schedules, before the tenant has lost everything."

In Scotland, Mr. Hope reports a general desire, for the protection both of landlord and tenant, to preserve evidence as to the condition of the farm at entry. The farm should be inspected by the official valuator, and his report deposited for reference. In this way compensation for "cumulative fertility" and for thorough cleansing of a

Guild,
53,417,
53,477.

27,764.

Record of
condition.
C. S. Read,
16,090.

Jas. Hope,
12,290-302.
Druce, 20,027.
Hutcheson,
43,841, 43,807,
43,861-4.
Bear, 27,760,
27,840.
Lander, 33,439,
16,334, 16,144.

17,608.

25,469.

Lipscomb,
20,518.
20,523.
26,019.
26,022-7.

Lander,
33,491.
Reynolds,
41,803-9.

37,500-2.

47,079.

See also
Rew, North
Devon,
p. 23.
Rew,
Norfolk,
p. 53.
Fream,
Maidstone,
p. 10.
Pringle,
Beds,
Hunts,
Northants,
pp. 67-8.

51,093.

Hope,
Roxburgh,
&c., p. 41.
Hope,
Perth, &c.,
p. 20.

farm could be equitably determined. Mr. Davidson thinks the particulars of the claim of the outgoing tenant would be better than any record.

53,477. Mr. Guild, however, considers the principle essential as a measure of the rights of
53,577. the parties, and recommends that the record should be kept by the Board of Agriculture.

54,545. Mr. Riddell thinks a schedule of condition absolutely necessary to rightly establish
the tenant's claim for increased fertility and condition.

46,861. Mr. Speir and other witnesses, on the other hand, point out that another valuer 20
years afterwards can hardly be expected to interpret the schedule exactly in the same
sense as the man who drew it.

24,733-5. Mr. Hutcheson (Perthshire) thinks that, in practice, the system would lead to
complications and difficulties in settlement.

Mr. Forster (Northumberland) takes a similar view.

15,040. Mr. Punchard thinks the proposal unworkable. You could not in general have the
same man again.

Conclusion. While it is difficult to assent to the view that such records could be exactly appraised
in money equivalents, so that the later of two records would enable an arbitrator to
determine with any nicety how much should be paid by the one party to the other at
the winding up of the tenancy, I think that this system should be encouraged in the
manner recommended by the Central Chamber, as perhaps the best check on injustice,
or fraud, or error. And the power to obtain an interim report by the arbitrator as to
the condition of the farm, as enabling the landlord to bring a bad farmer to book
and promptly stop depletive farming, is of special importance and should in such a
system be provided for.

FREEDOM OF CULTIVATION AND SALE OF PRODUCE.

Freedom of
cultivation
and sale of
produce.

204. Much evidence has been laid before us as to the expediency of doing away
with covenants restricting tenants as to cultivation and sale of produce. Every shade
of opinion seems to have been fully represented.

On one point there is unanimity—that, whether tenants are to be guided and
restrained by covenants, or left to use their discretion, no relaxation is advisable or
possible, if the fertility of the soil is not to be fully maintained by adequate manuring
and adequate working of the land.

Pringle,
Beds,
Hunts,
Northants,
pp. 17, 18.
A. Spencer
Oxford, &c.,
p. 18.
J. Stratton,
6683.
1410.

There is much striking evidence that in the depressed districts landowners are
largely at the mercy of farm wreckers, who deliberately run out the land by mis-
cropping and selling off everything. In many cases, where there is no dishonesty,
farmers are driven to sell hay, straw, and roots when, owing to loss of capital, they
are no longer able to consume their crops at home. Unless such sale is accompanied
by restorative treatment of the land, it must be the beginning of the end.

But it seems probable that the worst cases of depletive farming are occurring
on estates where restrictive covenants are to be found in every agreement, and the
question naturally arises whether these covenants really are the best and most effective
means of promoting good cultivation.

Pringle, Beds,
&c., p. 17.
Pringle, Beds,
&c., p. 18.
Wilson-Fox,
Lincoln, p. 22.
A. Spencer,
Oxford, &c., p. 18.

The covenants are stated to be retained “as safeguards to be used in extreme cases
when a bad tenant deliberately sets about damaging his farm.” The evidence is
conclusive that restrictions have been almost everywhere relaxed. “As long as a
man pays his rent, and keeps his farm in fair condition, he can now do as he likes.”
“Landlords and agents shut their eyes.”

A matter of
policy.
Wilson-Fox,
Lincoln,
p. 22.
22,577,
22,654-5.
Jas. Hope,
12,323.
35,718.
Kingscote,
234-7.
Nunneley,
56,049.
6683, 6815.

205. And this is not merely yielding to the pressure of the times. It is probably also
matter of policy. Some of the more recent agreements in Lincolnshire do not require
more than “good and husbandlike” farming according to the custom of the country,
and “not to take any two crops of the same kind in succession.” The Duke of
Richmond gives freedom to yearly tenants as well as to leaseholders, except during the
last four years of the tenancy. The same rule prevailed in the leases on Leicester's
estate, and apparently on the estates of the Duke of Bedford.

On the Crown lands, “when a tenant is farming well, it is considered desirable to
allow him to do very much as he likes, provided he will leave his farm in a proper
state of cultivation at the end of the period.”

Mr. Stratton thinks that the restrictive covenants are now obsolete, and practically
abandoned, and are only effective or necessary as regards the last two years of
tenancy.

Wilson-Fox,
Lincoln.

Again, the opinion was freely expressed that the best farmers, if given a free hand,
would largely carry out the order of crops which covenants impose on them.

206. It is urged that it is economically wasteful to insist on the consumption of straw, and in some cases hay, when the market value is three, four or more times greater than its manurial value. The same restoration of fertility may be more cheaply made, and a profit obtained in addition.

It is also argued that it is suicidal to tie tenants down in these times to methods of farming, like the four-course system, which can no longer be made to pay.

And, without doubt, in many of the instances of success in the bad times, absolute freedom in the management of the farm as well as practical sagacity has been a main cause.

Mr. Prout's success at Sawbridgeworth, while violating the two most cherished restrictions, viz., that wheat shall not be grown continuously, and that straw shall not be sold off—is, in itself, a *reductio ad absurdum* of the old ideas, and a complete demonstration that the true method is not to arbitrarily fetter the discretion of tenant farmers, but rather to give the utmost encouragement to intelligent enterprise, so long as the one essential point, the maintenance of fertility, is observed.

Mr. Druce, Secretary of the Farmers' Club and Assistant-Commissioner in the former Commission, says it is only fair in these days that the tenant farmer should have as free a hand as possible in farming his land and in the sale of produce. With a covenant to keep the farm, and leave it in good heart and condition, the landlord is safeguarded, and has a legal claim that can be enforced against the tenant at any time. "I do not think it right to treat the tenant as a man who means to ruin the land and to make all he can out of it and hurt his landlord." The holding should be left in the rotation usual in the district."

Mr. Punchard says: "Any man who can be trusted can have freedom of cropping and sale at any time; it would be a very dangerous thing to put it into the hands of many farmers."

Mr. Bowen Jones would have complete freedom in all future tenancies, the landlord restricting sales in the last year of the tenancy, and protecting himself year by year as to clean and thorough cultivation of the farm.

Mr. Carrington Smith and other witnesses hold that all restrictions except from breaking up of old pasture should be got rid of: "No one is so good a judge of how land is to be cultivated as the man in occupation of the land."

Mr. Owen Williams (Denbighshire) says: "When a tenant farmer is a practical man, he ought to know best how to cultivate his land, and he is certain to cultivate it to the best of his ability for his own benefit, as well as for the benefit of the landlord."

Mr. Kidner puts the converse: "Restrictions will never turn a bad farmer into a good one."

Mr. Rew reports general demands in North Devon for "greater" freedom. Agreements teem with minute conditions, many of them impracticable. Adequate manurial return for hay and straw sold off, and restrictions as to cropping and sale in the last year of tenancy, coupled with the power to give notice to quit, are sufficient protection to the landlord.

Mr. H. Biddell, speaking of the practice at present in Suffolk, thinks that tenants have a free hand, except that they must not sell hay or straw, or have more than half the land in corn the last year, this restriction being essential in the interests of the incoming tenant.

The Welsh witnesses generally make the same demands as most of the English farmers, but it was stated that on the whole there is more freedom of cropping in Wales than elsewhere.

Messrs. Dean, very large farmers in South Lincolnshire, believe in absolute freedom, except that the tenant should leave on the holding the manure made from the produce of the farm during the year previous to quitting.

"A man who has not broken his course of farming in the last 10 years could not have done. We have broken ours, and largely gone in for growing seeds. The general character of my land has been improved by this, and I have grown more corn afterwards. On two farms of equal quality one has had everything sold off for 20 years, and the other has had nothing sold off. With artificial manure at one-fifth the cost of farmyard manure, I have been able to grow as much corn but not quite so much straw as on the farm where all had been consumed. It is a national loss if farmers are restricted. The landlord must protect himself by annual supervision."

207. The demand in Scotland for freedom to sell off is universal, but there should be a restriction on cropping at the close of a lease.

Reasons for greater freedom.
E. Turner, 11, 411, 14, 481.
Dewar, 31, 761-70.
Mercer, 27, 389-95.
Huskinson, 995.
Bear, 27, 723-4.
Wilson-Fox, Lincoln, p. 24.
Lord Leicester, Letter to Chairman.
Rowlandson, 17, 449.
See paragraphs 7, 12, 34, 37 of this Report.
Middleton, 2411-12.
Harrison, 1299, 1303, 1400.
R. Stratton, 34, 841-4.
Hope, 12, 326, &c.
A. Spencer, Herts, p. 10

19,940-2.

20,225-31.

14,917.

44,692-6.

9786, 58,548.

O. Williams, 57,713.

2786.

Rew, North Devon, p. 22.

39,426.

Drummond, 60,445.

Wilson-Fox, Lincoln, p. 24.

The demand in Scotland.
Sneir, 46, 505, 55,081-2.

See also
Scott,
30,282.

55,034.

51,024.

51,026.

Vol. IV.,
App. VII.,
p. 529.
52,810.
55,591.

Black, 51,607.
Elliott, 52,516.

Guild,
53,409,
53,490.
53,483.
53,883.
53,514.
55,247.

Lipscomb,
20,528.
Vol. II.,
Appendix VIII.,
p. 623.

Proceedings of
the Central
Chamber,
Feb. 1895.

Huskinson,
1152-1164.
Goldney,
13,885, &c.

North
Devon, p. 22.

Middleton,
2411-2.
Kidner,
2965.
Rew, Dorset,
p. 28.

Conclusion.

Mr. Rutherford says when the manurial value of straw is from 10s. to 15s., and its selling price is up to 75s. a ton, "it would be no hardship to the landowner, and of immense advantage to the farmers, if they were allowed, whenever they thought fit, to sell straw or hay, provided they replaced the fertility in manure." This should be matter of agreement.

Mr. Davidson takes a similar view, and wishes freedom of sale, coupled with the obligation to bring back the manurial equivalent to be made a statutory right, but holds that freedom to crop would be injurious.

This is also the recommendation of the Scottish Chamber of Agriculture.

Mr. Flockhart thinks freedom of cropping would encourage the men who come in for five year terms to "run out the farm."

Mr. Riddell is against freedom of cropping, and would make selling off subject to landlord's consent.

Other Scotch witnesses would sweep away all "rotation" clauses, and merely stipulate for good husbandry.

"In the neighbourhood of Edinburgh there are practically no restrictions on cropping or sale, and the land is in the very highest state of cultivation. It is sufficient for the farm to be left in a certain rotation at the end of the lease. If a man technically miscrops, but makes an adequate return to cover the results of any change of cultivation he should be held free from liability."

Mr. McConnell points out that high manuring, *e.g.*, with bone meal, will so increase crops that the stipulation to consume the produce becomes unreasonable and wasteful.

In the report of the Committee of the Central Chamber of Agriculture freedom to sell off produce was recommended in this way, *viz.*, that, except in the last year of the tenancy, the landlord's consent is not necessary if the tenant gives security that the manurial equivalent will be returned.

At a subsequent meeting of the Central Chamber a resolution was passed in favour also of freedom of cropping and sale of produce with similar return of what is necessary to maintain fertility.

It appears to be not unusual to stipulate in agreements and leases for a certain money value of manurial return to the land, either at so much an acre, or sometimes a specified proportion of the value of the hay, straw, &c. sold off.

Mr. Rew draws special attention to the agreements in force on Sir Thomas Acland's estate, which provide that "hay and straw may be removed if a quantity of manure equal in value to one-half of the money for which the hay or straw is sold be within the same year bought back and expended on the premises, but after notice to determine the tenancy, such removal shall not take place without the consent in writing of the landlord or his steward."

This agreement would seem to be to the advantage of the landlord as well as the tenant, and there can be no doubt from the evidence that a concession of freedom of cropping or sale has its money value, and not only is thought certain to raise rents to a high figure, but actually has had that result in practice.

208. The general effect of the evidence points to one obvious conclusion. The real remedy against the farm wrecker or the hand-to-mouth tenant is a rigidly enforced regulation or agreement as to adequate manuring. I think that this is a simple, direct, and easily applied check, while the elaborate contrivances by which lawyers have tied the hands of enterprising and practical men who know their business, and, if let alone, and encouraged to seize opportunities for new methods of cultivation, would benefit their landlords and the country as well as themselves, have done much harm in this way, and have effected little or nothing in stopping the mischiefs which they were intended to prevent.

I think that common sense much more than bare necessity has dictated the very general relaxation in practice of restrictive covenants, that it is now high time that legislation should sanction what has practically been agreed to between the best landlords and the best tenants. The sense of confidence thus created will lead to bolder and more enterprising improvement of agricultural methods.

I therefore recommend in any legislation amending the Act that a clause should be introduced on the lines of that first brought before the House of Commons in 1887 by myself in a Bill to amend the Agricultural Holdings Act, and since then annually in Bills. The clause, which is clause 53 in the Agricultural Holdings Bill, 1897, provides that no penalty or damages shall be enforceable, and the tenant shall not be turned out for change of cultivation or sale of produce, if an adequate return of manure is made, a security given that it will be made at the proper season.

See Appen-
dix II. to
this Report.

209. If these recommendations are adopted and coupled with the recommendation of the Central Chamber of Agriculture that the four-year limit to claims for waste by the landlord shall be reduced to two years from the determination of the tenancy, the operation of section 6 of the Agricultural Holdings Act will be materially restricted.

Necessary amendment of section 6 of the Act.

It apparently escaped the observation of the framers of that Act that the effect of subsection (b) of section 6 is to read every tenancy agreement as if the tenant had agreed not to sell hay, straw, roots, &c., for whether the tenant has so agreed or not the landlord can claim to reduce the tenant's compensation on this ground. The section in fact extends the power of the landlord beyond the cases where the tenant has agreed not to sell off, to cases where the tenant has not so agreed, or even where he has by custom or agreement the right—sometimes not very clearly defined—to sell off.

This oversight has really given the landlord more than he asked for, and has caused some injustice in practice, Mr. C. S. Read having been a notable sufferer from this unintentional extension of landlord's powers. It is necessary, therefore, to introduce into the section the words "contrary to the written terms of the tenancy," an amendment also suggested in the Bills referred to.

C. S. Read.

There is a further extension of landlord's powers under this section, which, in my opinion, should be more strictly defined. Outside the Act, a landlord has power at common law, to recover damages from a tenant for a waste committed, *i.e.*, waste which results from acts of the tenant, but not for "permissive waste" such as allowing a building to fall of itself from neglect, &c. But this section gives the landlord a new power, by enabling him to set off against a yearly tenant's claim for compensation a claim for waste which he could not maintain independently of the Act. I am of opinion that the claim of the landlord as regards any alleged waste whether committed or permitted should not be admissible under section 6, unless he shall have given notice to the tenant within six months of the commission of the waste to make it good, or, in regard to permissive waste, unless he shall have given notice to the tenant (within one month after a notice to quit has been given by either party), to desist from any specified form of waste.

In Scotland the spirit of recent decisions of the courts is that if a receipt for rent has been given without comment, or if the landlord fails to proceed for waste within a reasonable time, he should be held to have lost his right by acquiescence.

Elder, 53,155-6.

210. I have already noted that the practice of referees and umpires, and of the county and superior courts has disallowed any recovery of penal rents beyond the amount of actual damage proved. I think that this sensible and just practice should now be made statutory, and recommend in any new Act the insertion of a clause to the effect of clause 7 in the Agricultural Holdings Bill, 1897, which makes provision to carry this out, Appendix II. to this Report.

Penal rents must be limited to actual damage proved. Cooke, 22,072. C. S. Read, 16,541.

COMPENSATION FOR IMPROVEMENTS.

211. The extension of the principle of the Act by increasing the number of improvements for which compensation is payable, and by removing the obstacles to the full application of this principle in all cases, has been advocated universally by tenant farmer witnesses.

Freedom to execute and be compensated for first class improvements.

There is a general and a growing demand on the part of farmers, and of the more enterprising farmers, to have a statutory right to carry out all improvements which are suitable to the holding and necessary to give any chance of success. It is contended by some that the mere letting of land for a specific agricultural purpose is, in intent, a giving of consent by the landlord for the working of the land for that purpose by the most effective and remunerative methods, and that it is illogical and unjust that when the tenant wishes to carry out improvements of this character, and which are essential to this object, that the landlord should have by law the right to withhold his consent and thus compel the tenant either to desist from working his land in the most remunerative way, or to face the risk of having his whole outlay on such improvements confiscated by the landlord on any determination of the tenancy.

These views are held most strongly where tenants have to make the heaviest outlay in order to carry out their business with any chance of success.

Dr. Fream reports of the fruit and hop districts of Kent, that there is a general demand that the whole of the improvements to which, by this Act, the consent of the landlord is required, should be transferred from Part I. to Part III. of the First Schedule of the Act; in other words, that tenants should be perfectly free to execute any permanent or first class improvements, with a right to subsequent compensation, whether the landlord consented or not.

Fream, Andover, and Maidstone, p. 34. 12,047-50.

Fream,
Maldstone,
pp. 34, 41.
Fream, 12,075-
12,086.
12,117-125.

Woodward,
44,266-274.

Reynolds,
41,480, &c.

Woodward,
44,260.

44,257.

Woodward,
44,482.

44,337,
44,510-1.

The Market
Gardeners'
Compensation
Act, 1895,
58 & 59 Vict.
c. 27.
Section 3.

Section 4.

Section 3,

(4).

The de-
mands of
Scotch
agricul-
turists.

Hope,
Perthshire,
&c., p. 19.
Roxburgh,
&c., p. 39.

Speir, Ayr-
shire, pp. 20,
21.

p. 20.

See also
Stuart,
51,844, &c.

53,411-15.

54,531-2.

47,052.

46,931.

The cost of growing hops runs to 60*l.* an acre, and of the newer methods of permanently wiring for hops to from 20*l.* to 50*l.* an acre. Hop growers would require the security of a long lease, or the right to compensation before undertaking such an outlay.

Similar arguments are put forward by the market gardeners of the Vale of Evesham. The preparatory clearing of the land and the planting of fruit trees and bushes is very costly (running from 20*l.* to 80*l.* an acre), and has invariably been done by the tenant, and at his own risk. Up to the passing of the Market Gardeners' Compensation Act, 1895, these men were absolutely at the mercy of their landlords, though to a certain extent protected by a custom which allowed something like free sale of improvements as between outgoing and incoming tenants. There was, legally, no property right to these large investments, and they were at any time liable to have their rent raised on their improvements, which was in fact frequently done. The market gardeners argued that whether the object of letting was specified in the agreement or not, it was quite understood that the land was let for this purpose, and that the act of letting ought to carry with it the landlord's consent to all improvements suitable for their business.

212. The Market Gardeners' Compensation Act, 1895, gave the sanction of Parliament to this contention. The Act provides, as regards holdings in future specifically let as market gardens, that the planting of fruit trees, bushes, strawberry plants, and asparagus, and other vegetable crops, and the erection and enlargement of buildings for the purposes of the trade or business of a market gardener, shall be placed in Part III. of the Schedule, and the tenant will be entitled to compensation without having obtained the consent of the landlord. Further, this provision is applied retrospectively to all existing holdings now in use as market gardens on which such improvements were executed before the Act, unless the landlord has, prior to the execution of any such improvement, dissented in writing. The consent of the landlord is also dispensed with, in section 56 of the Agricultural Holdings Act, and the outgoing tenant can thus transfer his property right in his improvements to the incoming tenant without the intervention of the landlord.

The importance of the principles thus recognised for the first time by the legislature cannot be exaggerated. In my opinion the only ground for distinguishing such cases from any other kind of agriculture is that the money outlay exceeds the average outlay in ordinary farming. But this is clearly not a distinction in kind but in degree. I can see no reason in the relations of the parties, and the nature of the rights and claims involved, why the same principle, *mutatis mutandis*, should not be applied to all kinds of farming.

213. The desire for similar rights in ordinary farming is expressed most strongly by the energetic and successful type of farmer.

From Scotland the demand, as might be expected, is practically unanimous.

Mr. Hope in both his important reports on the great arable and grazing districts in Scotland puts this point at the head of the suggested amendments of the Act.

"The schedules should be abolished, and all improvements executed by the tenant, and tending to give an enhanced letting value to the farm, should be paid for by the landlord at the termination of the tenancy."

In regard to buildings and some other permanent improvements the landlord should, Mr. Hope says, be protected by a reference to the official valuator, who should decide whether a proposed improvement was suitable and would add value to the holding. But as regards laying down to permanent pasture, or drainage, the tenant should have absolute freedom with compensation for remaining value at the end of the tenancy.

Mr. Speir points out that, in the south-west of Scotland, the value of the landlord's property has been enormously enhanced by permanent improvements made by the tenants without statutory protection, and subsequently confiscated by the landlords. He quotes an instance of a farm where the rent has been increased since an early date in the century, from 30*l.* to 220*l.* entirely by tenant's improvements, for which there was no legal protection. "The removal of stones, levelling, road making, &c. have, as a rule, been done by the tenant, and if interest on all these outlays were allowed, a very small sum indeed would remain for rent."

Mr. Guild, land agent, thinks that as regards buildings, roads, fences, and water supply, the drainage procedure should hold good, but as regards all other improvements no consent and no schedules should be required.

Mr. Riddell thinks there should be compensation without consent for improvements certified to be really necessary for working the farm to advantage.

Mr. Speir approves of notice, and that the landlord, where possible, should himself carry out improvements. "He does it in such a way that the estate should benefit as a

whole; whereas the tenants would only do it, if they did it themselves, to benefit their own time.

Mr. Fyshe would abolish all schedules and put all improvements on the same footing, and pay for added value in every case, except that as regards buildings, if the landlord withheld consent, a decision should be taken as to whether they are necessary for the farm. "If not found necessary, they should not be paid for."

Mr. Elliot would merge Part I. in Part II., or else get rid of them altogether.

A committee of factors and tenant farmers agreed (with two dissentients) that, if the landlord's consent was withheld, the improvement might be carried out and paid for, if, previous to its execution, a reference determined that the improvement was necessary to the efficient working of the holding.

The Scottish Chamber of Agriculture, to cover the cases where landlords will not carry out, or consent to improvements, recommend that the tenant should call in a qualified arbitrator, and that compensation should be given for such improvements as are certified to be necessary for the proper working of the farm, having regard to the purpose for which it was let.

214. In the North of England as in Scotland the procedure of the drainage clause is approved.

Mr. Scott adopted this procedure in the Northumberland scheme of compensation, the owner to have the right on receiving notice to get a prohibition if the improvement was found on a reference to be unsuitable.

But among English and Welsh witnesses the simple and more direct method of giving the tenant freedom to make what improvements seem to him desirable and likely to give him a chance of profit, and the right to compensation for remaining value has vigorous exponents.

Thus Mr. Nunneley, who appears to have succeeded, where others have failed, and to have shown enterprise and resource in adapting his methods to the times, would allow a tenant to make any improvement he pleases, with the knowledge that if it was found to have added to the value of the holding he should be paid for it, and if not, he would lose his money. He would put no limit on the tenant's outlay, but would give the landlord the right to claim for deterioration.

The drainage procedure under Part II. he considers complicated and unworkable. Entire freedom is best.

"It is so important that the land should be as well cultivated as possible, that although I should be very sorry for a landlord who could not afford to pay for improvements, I consider the good of the country must override the good of individual landlords, and if a man is not in a position to pay for improvements, the sooner the land belongs to someone who can do so, be he landlord or tenant, the better for the landlord, the tenant, and the whole country. In practice all tenants would give notice of intended improvements, as they would prefer the landlords to do them. Again the valuer would in considering whether an act was an 'improvement' or not take into consideration the purpose for which the farm was let."

Mr. Bowen Jones thinks that permanent improvements might well be carried out by the tenant at his own risk; whether the improvements were worth anything would be decided by the arbitration at the termination of the tenancy.

Mr. Carrington Smith wishes that the tenant's claim for unexhausted improvements should be unrestricted by schedules, and that he should have a right, of which he could not be deprived, to recover the full value of any agricultural improvements made by him, without the consent of his landlord. The arbitrator would decide whether it was really an improvement or a waste of money.

Mr. Bear thinks it is a restraint of agriculture to prevent the improvement of land, and if the landlord and tenant system is kept up, it should not be allowed to be a bar to improvement. If the landlord objects, he does not think a reference as to the suitability of the proposed improvement necessary, but would prefer to leave the improvement perfectly free and open, the tenant to take the risk of a loss. If he erects an unsuitable building, the valuer will not allow him for it.

Among Welsh witnesses, Mr. Owen Price thinks that permanent pasture, improving watercourses, making fences, reclaiming waste land, should be transferred to Part III. of the Schedule.

The proposals of the Central Chamber of Agriculture on this matter take a middle course. The report of their Committee recommends that the following improvements should be transferred from Part I. to Part II. of the Schedule and put on the same footing as drainage as to procedure, viz.:—Laying down of permanent pasture, making of gardens, orchards, and osier beds, not exceeding one acre, improving of roads, of

wells, watercourses, water supply, and application of water power, and the reclaiming of enclosed waste land. The landlord's consent is to remain necessary for the rest of Part I.

20,903. It was stated, however, by Mr. Lipscomb, that the proposal to transfer the whole of Part I. to Part II. was originally adopted by the Committee and only struck out at the final stage of their report.

The arguments urged to the contrary are that such a right would unfairly restrict the rights of an owner over his own property, and that tenants could, in many cases, by using such a procedure, involve themselves and their landlords in embarrassments and loss.

Lincoln,
p. 29.
Suffolk,
p. 28.
6800-3. Mr. Wilson Fox thinks the demand is not made in Lincolnshire or Suffolk. The tenants in the latter county are too impoverished, and even if they could carry out permanent improvements, in many cases they could not recover compensation from owners practically insolvent.

Mr. Stratton thinks it might be a hardship to lay down in grass without some consideration for the wishes and abilities of the landlord.

The law
should
encourage
improve-
ments and
good farm-
ing.
215. I attach more importance to the argument, frequently advanced, that an improvement which increases the letting value, or prevents it from falling, clearly increases, not diminishes, the general assets of the owner. The provision of the money may in many cases cause difficulty and limitation of the power to improve, in some cases may operate as a complete prohibition at the present time. But I believe that the granting of State loans on cheaper terms, and the influx into agriculture of some of the vast accumulations of capital now bringing next to no returns, which we expect to see follow a satisfactory amendment of the law as to tenants' improvements, will be found to remove the anticipated difficulties, perhaps slowly, but surely.

In respect of improvements like laying down to permanent or temporary pasture, which has been found in practice to be the best expedient for making farming pay in these times, we think that the arguments advanced by many witnesses establish an unanswerable case for giving the tenant a free hand, and a right to full compensation.

Owen Price,
59,637, &c.
Pringle,
Essex.
Pringle,
notes on the
Grass
Question.
Harrison,
1346-9,
1350-59.
Carrington
Smith, 8047.
6623-5. It is proved that this class of improvement must be carried out with skill, judgment, and considerable outlay, if it is to be successful at all. If it is badly done, it may only lead to further expense in cleaning the land, and recommencing the operation. It is, therefore, to the interests of all concerned that there should be the strongest inducement to the tenant to do it well, if he does it all.

In the present state of the law there is the strongest inducement to the tenant to adopt temporary and inferior methods. He has no security. In most cases where application is made, consent has apparently been refused, and the tenant has been compelled to lay down at his own risk. And if he has gone to the expense of laying down well, he has no other means of extorting compensation than the threat to destroy the improvement he has made. By this threat, some tenants have been able to obtain agreements guaranteeing them a small compensation.

Mr. Stratton dwells strongly on this defect of the Act. "There is no encouragement for high farming. Rather than lay land down, I should prefer to have it in my own hands, and break it up, and have a couple of crops before leaving." It is very damaging for the farm if the owner wishes to let it again. I know many farmers who are about to leave who do that. They feel: "If I leave this down in grass, there will be plenty of competition for this farm: if I plough it up I can take it again on my own terms, the Act should be amended to enable the outgoing tenant to leave that grass land, and so prevent this evil, and put a premium on the best farming."

37,627-9. Mr. Olver says that "farmers who have laid down to grass sooner than take the trouble to bargain as to compensation with the threat to break up, say to themselves: 'I will plough it, and then I am safe.' They take two crops of corn and leave the land impoverished.

The economic
folly of
discouraging
improve-
ments.
Nunneley.
Carrington
Smith.
Riddell.
Guild.
216. This crucial instance of how the limitations of the Act lead inevitably to bad farming, deterioration of the land, and wholly unnecessary economic waste, is only an exceptionally striking illustration of what applies generally to the defects of the Act and of its working. We agree with many witnesses who have come before us, that the more the principle of compensation is extended to all acts which increase the value of the land, and the more complete and adequate the compensation for remaining values, the more probable it is that the improving and enterprising tenant will continue his good farming up to the end of his tenancy. On the other hand, the more restricted the improvements, and the scale of payments for them, the more certain it is that many tenants will be compelled to find their compensation by robbing the soil.

Strong evidence was given from Scotland as to this result of insecurity.

Mr. Rutherford, who deals in manures, states that tenants now often ask for 54,988. "something that will reduce the fertility of the soil, because if we leave it full of condition we will be rented on our improvements."

He adds:—"On four farms I manage we pay in rent and manures 3,244*l.* This 54,922-3. year the amount spent in feeding stuffs was 3,030*l.*, and the same last year. Unless we are to receive ample compensation under the Act we shall be at a decided disadvantage in getting these farms into a quite exceptional state of fertility, and expose ourselves to be outbid by 'land suckers,' who offer an increase in order to enter and suck the fertility out."

"In another ten years there will be no need for an Agricultural Holdings Act under the present system; the bulk of the best men are getting so frightened as to say, 'if we are to have no security we must make preparations.' There have been 55,009-10. cases of insufficient compensation which have 'shaken the faith of the best farmers in keeping their farms in very high cultivation.'"

The same feeling is expressed by Mr. Dutfield from Monmouthshire: "Tenants 58,716. find they would do better often by the old bad principle of letting the farm down a little in the way of cropping, and going out and making no claim."

And this view of things seems to be acquiesced in by some land agents, in our opinion most unwisely.

Thus the agent of a large Lancashire estate says: "A tenant takes a farm and farms it highly to benefit himself; of course, after some years, the farm is improved. The tenant has only done his duty, and what is best for the farm, and having really repaid himself he wants to be repaid a certain sum by the landlord as well. But tenants generally settle the 'betterment' question for the mselves by farming the place out, and they sometimes overdo it, and make a loss for themselves in the last year." Wilson Fox, Garstang, p. 40.

Not only is deliberate bad farming thus encouraged, but, by the time scales of the ordinary valuers, the bad farmer is able to concoct a claim and get considerable compensation for outlay in the last few years, when he has been systematically depleting his farm, and deserves to be penalised, not compensated.

Mr. Nunneley puts this well: "In my own district I can point to farm after farm 56,207. which has been run down and practically reduced by the outgoing tenants, who have yet been enabled to claim compensation in considerable sums for improvements. On the other hand, I can point to many a good farmer who has farmed well, and has lost a considerable sum of money, who has left a very large amount for his successor and his landlord."

This double robbery, of the land first and then of the landlord, is further explained by Mr. Rutherford: "The man who is up in his business as a 'land sucker' may be 55,008. using a great amount of cake, and at the same time be using sulphate of ammonia or nitrate of soda. He is practically exhausting at the same time as he is putting fertility in. To give compensation to that man would be ridiculous compared with the man who had been boning his place, and causing increased fertility."

Under the present Act, which the landlord can only use if it is first set in motion Rowlandson, 17,524. by the tenant making a claim, it is possible to rob the soil with practical impunity, if the bad farmer is content with that, and does not proceed to try to rob his landlord also.

It is matter of demonstration that it would be to the interest of the owner of land to have his land improved in all ways which make it a more productive and more valuable instrument of agriculture, to have the highest and most thorough cultivation carried on continuously throughout and up to the end of a tenancy, and that the restrictions and limitations, and faulty administration of the Act which make so many tenancies consist partly of a long process of restoring condition, and partly of a diligent extraction of fertility to be put in the tenant's pockets to make good the compensation which is denied him, bring with them the natural and inevitable results of economic blundering of the worst kind, and constitute year by year an 55,017. immense waste of national wealth. I am therefore of opinion that such an amendment of the law as will secure at once freedom to carry out all suitable improvements and full compensation for such improvements to the tenant executing them cannot but be of the greatest benefit to the owner and to the community at large.

It would only be just also that such an amendment of the Act should be accompanied by provisions giving the landlord power himself to set the Act in motion, and to effectually check dishonest and depletive farming. Read, 16,000, &c. Guild, 63,417. Wilkinson, 31,386. Bruce, 20,231.

CONTINUOUS GOOD FARMING.

Cumulative fertility—continuous good farming must have adequate compensation.

217. The nineteen years lease in Scotland, and long leases generally in other districts, have naturally led farmers to enter on a carefully planned out treatment of the soil to secure the maximum productivity. The question of compensation for cumulative fertility or continuous good farming is bound up with this system. The direct result of a long lease is to encourage the immediate fertilising of the soil to the highest point in the shortest time, in order that the tenant may draw the maximum of benefit from his generous treatment of the soil during the currency of the lease. But although this motive of self-interest operates to a certain extent, it is thwarted by the motives suggested by the administration of the Act.

Riddell, 54,537.

"The use of the time scales has been unfortunate. If two farmers were to start together on a 19 years' lease, and one of them was to make his farm his bank for the whole time, and the other farmer had done nothing for the farm, under the system of scales they would get very much the same amount awarded to them."

C. S. Read, 16,572.

"It pays a man better to leave his land foul and impoverished than it does to leave it clean and fertile."

The Corsehope experiment.

218. The history of Mr. Riddell's experiment on the Corsehope farm and the working of the Act in that case are highly instructive.

54,544.

54,598.

56,623.

54,607.

Mr. Riddell on entry, seeing that the method of cultivation by breaking up and cropping the hill pastures would exhaust the farm, laid the whole down in grass, and fed very heavily with cake for the first few years on the new grass. There was also a heavy outlay in bone manures and on liming during the earlier portion of the lease. There was in all about 20,000*l.* expended during the lease. None of the land after being once laid down was broken up again, and thus the whole added fertility was left in the soil. The result was an immense increase in the carrying capacity of the farm. Between three or four times more stock could be kept than when Mr. Riddell entered. In Mr. Riddell's opinion the longer he farmed the land the more power he had to improve it. "I found I could improve far more at the end of 19 years than I could at the beginning, and for five, six, or seven years at first, proving beyond a doubt that the idea that it would be exhausted in three, four, or five years was ridiculous."

54,603-5.

54,743-5.

54,748.

The result of this treatment on the market value of the farm was striking. While nearly all the farms of similar position and quality in the neighbourhood went down from 40 to 50 per cent. in rents, Corsehope farm was relet at approximately the same rent.* Mr. Riddell estimates that the owner is reaping a benefit of 300*l.* a year.

54,568.

Mr. Riddell made the very moderate claim of 2,700*l.* The time scales were applied so as to limit the compensation to the last six years, amounting to 763*l.* But the proof of the increased fertility was so unanswerable, and the facts as to the enormous outlay in the earlier years of the lease so obvious, that the oversman decided to award Mr. Riddell an additional sum of 300*l.* "for the extensive use of feeding stuffs during the lease." In other words, he presented his landlord with 300*l.* a year for an indefinite period, and was compensated with about one's year purchase of the improvement.

The contention of the majority of Scotch witnesses is that the tenant should receive a full and adequate compensation for the whole added value of a holding caused by the long continued high farming.

Mr. Elliot, 52,610.

Mr. Elliot says he "treated land the same way as Corsehope, and it is growing grass to-day, though it is 25 to 28 years since it was done. Plenty of it was not worth a shilling an acre formerly. It is magnificent pasture to-day."

55,011-18.

Mr. Rutherford holds that the full recognition of compensation for "cumulative fertility" would be the best remedy. The inability of farmers to get allowance for their earlier outlays, however beneficial, has been the great cause of "land sucking" and deterioration, has been thus indirectly one of the main causes of the agricultural depression.

55,019.

54,152-4.

Mr. Ballingall says, "The administration of the Act offers a premium to inferior farming, and acts as a deterrent against high continuous farming. It is grossly unfair, because there is plainly a fertility in some land that will stand for half or more of a long lease, and the tenant gets no more than another man who has only given enough manure to keep the land from poverty."

51,037.

Mr. Davidson points out that this is not the fault of the Act, but the habit of valuers to include everything under "cast-iron" scales rather than consider the whole circumstances of each case.

* And this farm has been relet for a second term without further reduction.

"I see nothing in the Act to prevent an arbiter, in considering that a farm has been well farmed through a sequence of years, from applying an appropriate scale." It is obvious if a farm is in a high condition, and receives, in the last years of the lease the same fertilizers in the shape of feeding stuffs, there must be a larger residue; the crops presumably would draw on the old reserves, and what had since been applied; whereas, if the farm is in low condition, and you only apply sufficient to grow crops in the last years of the lease, less compensation should be given than in the former case."

Mr. Davidson states that he has himself awarded a general compensation for high condition produced by these anterior outlays, and there has not been, though there might have been, appeals. There should be specific outlays proved, and the carrying and productive power of the farm, and the cleanly state in which it is left, would also be considered.

219. In the north of England, where leases have more prevailed and the conditions of agriculture are more similar to Scotland, the same demand is made with much the same arguments. English evidence on continuous good farming, &c.

Thus Mr. Scott, while thinking the Act has encouraged farmers to try to keep up the condition of their land, and that landlords would now have had their land in much worse condition but for the Act, thinks also that "a bad tenant may get too much from the Act, and a good tenant is not likely to get enough. For instance, a good tenant may make the principal part of his expenditure in the first years of his tenancy, and get the farm into such good condition that it requires less during the last three or four years; therefore he will get less compensation. A bad tenant might put on very little the first few years of his tenancy, and might throw on a great deal of manure and a great deal of food the last three or four years of his tenancy, and possibly get more compensation."

"The Act does not give compensation for condition; it would be a great advantage if condition were valued."

Mr. Forster is in favour of compensation for general improved fertility, and thinks it can be tested by productive power of the farm. He holds that compensation for general improvements is promised in "about the first sentence of the Act, and that is what I want carried out."

Mr. Wilkinson says: "The increased fertility of the soil, due to continuous good farming, should be the property of the tenant. The operation of the law by which an outgoing tenant receives compensation based on the quantities of fertilisers and feeding stuffs used during the last three or four years, is not a sufficient recognition of his interests. Indeed, the law operates in a way detrimental to continuous good farming, because such a farmer is liable to a demand for an increase of rent, owing to the increased fertility, and consequently increased letting value, without getting compensation for it."

Mr. Rowlandson thinks "for the benefit of the community there should be an allowance for continuous good farming. At present we often have claims for the deterioration of the land, and if the tenant has improved the state of the farm in its cultivation he should be paid for it." The schedule of condition at entry would make it perfectly feasible.

Under the present system of valuations "a tenant is allowed one-third of his expenditure in cakes during his last year, and one-sixth on the previous year, but a tenant having been two years on a farm receives precisely the same payment as if his expenditure in cakes and manures had been going on for 30 or 40 or 50 years. In the latter case the tenant is entitled to considerably more than the tenant who has only been using cakes for two years. Any practical man can see at once, especially on grass land where cake has been largely used, the value of the land has been increased. The valuers have limited the principle of the Act, and it would be better that compensation for continuous good farming were placed in the schedule, with the intimation that it ought to be paid for."

Mr. Rowlandson himself made an award of excess value in consideration of large consumption of cake, and very considerable improvement, and it was not appealed against.

Mr. Punchard says: "We have a practice among the local valuers of varying the rate of compensation. If we find a man has been continuously farming high, we allow him a higher rate of compensation than when it has been partial or casual."

Mr. C. S. Read strongly supports compensation for continuous good farming, and wishes to put into it cleanliness and thorough working of the land.

40,972-6.
41,081-2.
2331-2.

Sir John Lawes would approve of compensation for the fertility accumulated in grass well laid down and liberally fed.

Mr. Middleton says that an incoming tenant would rather pay compensation to the man who had been farming high for 20 years, than to a man who had been farming for only three years. He would get better value.

Mr. Sheldon points out that some improvements last even for 50 years. "I could show you the effect of boning the land 50 years ago, and you can see the improved quality of the grass to-day. It depends upon the character of the land."

Conclusions.

But see Peile,
52,191, &c.

220. It may be gathered from the evidence that there is no general disposition to challenge the justice of the tenant's claim to have long continued expenditure in enriching his farm fairly considered and allowed for, except the contention to which we have referred in paragraph 147 of this Report, that the tenant will have practically reaped the full benefit of these outlays during the course of his tenancy. This view seems to us unsupported by evidence, whereas the permanence of the fertility induced by such treatment of farms seems to us established. There can be no doubt also that it was the intention of the Act to allow just this type of compensation.

The real question is how far such compensation can be practically arrived at.

27,579.

Mr. Bear and others, who prefer the method of free sale of improvements to compensation by valuation, are of opinion that "any attempt to value improvements that have been carried out on a farm for years past is almost impossible."

Mr. Riddell's view that an expert agriculturist can really estimate rise of condition and general improvement, aided by a scheduled record of the state of the farm at entry, and by the evidence which would be produced both of the actual outlays and also of the increase of crops or of stock carrying power, seems to me a sufficient answer. I am therefore of opinion that it should be made perfectly clear in an amended Act that the tenant is entitled to be compensated for improved condition irrespective of time limits, and I also hold that the evidence under this head makes it still more necessary to alter the administration of the Act.

LAYING DOWN OF PASTURE.

Laying down of permanent and temporary pasture.
Carrington Smith, 8071.
Harrison, 1346.
Wilkinson, 31,476.
Oocks, 1920.
Raw, Dorset, p. 26.
Middleton, 2315.
Raw, Dorset, p. 26.
Riddell, 54,561.
Gilchrist, 53,020-1.
Hope, Roxburgh, &c., p. 39.
Elliot, 52,470-5.
Riddell, 54,566.
Gilchrist, 53,021-9.

221. It is strongly urged by a number of witnesses that the laying down of permanent pasture should be an improvement for which the consent of the landlord is not required. The Committee of the Central Chamber of Agriculture recommend that this improvement should be transferred from Part I. to Part II. of the Schedule. Others would class this and other permanent improvements under the head of improvements which can be carried out if approved by an arbitrator.

The Scottish farmers, who have had the fullest experience of the beneficial results of laying down, seem particularly unanimous that the tenant should have a perfectly free hand, but in some cases recommending that notice should be given. Mr. Hope reports that the landlord's consent has, in many instances, been refused, to the detriment of all concerned, and from England there is much evidence to a similar effect, and also that landlords decline to enter into agreements to compensate tenants who have laid down pasture.

The great help that pasture, whether permanent or temporary, gives to the farmer, and the certainty that laying down must result in the accumulation of fertility, makes it practically certain that a landlord cannot suffer from the conversion of arable into pasture land. In the future wording of an amended Act it must be assumed, with regard to all improvements, that compensation will not exceed the actual money value of the improvements handed over by the outgoing tenant.

Nunneley,
56,035, &c.

It further appears from the evidence that the conversion of arable into grass land, and the laying down of land in temporary pasture, has been adopted by thousands of farmers as a means of saving themselves from ruin when the prices of corn fell below the minimum cost of production. This change has not only kept these farmers going, but has already greatly benefited the landowners, who have been enabled to receive rents which could not possibly have been paid them, even out of tenants' capital, if this change of cultivation had not been carried out.

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I therefore recommend that laying down of permanent pasture should be transferred to Part III., or, in other words, permitted without restriction as to consent or notice, and further approve of the new item of Part III., recommended by Mr. C. S. Read and the Central Chamber, that compensation should be given for temporary pasture, if two years down or longer, and the land in clean condition.

OTHER IMPROVEMENTS.

222. The desire to have compensation for home grown corn consumed on the holding is practically universal among tenant-farmers, and has become keener in proportion as low prices and bad seasons have compelled farmers to use a larger proportion of corn for feeding purposes. In some counties the grievance is greater than others. Thus in Cornwall, "nearly all the corn grown is consumed on the farm; this Act is unfair, as it only compensates for bought corn." It will be perfectly easy to arrive at the proper amount by estimating the crop, and having a record of the amount sold off.

Compensation for consumption of home-grown corn and other produce. Murray, 5100.

"In a very large proportion of the farms south of Edinburgh, towards the Lammermoors, almost the whole of the grain crops is consumed on the land, and without any compensation."

Olver, 37,494.

Mr. Treadwell, who uses his own corn largely, to the value of, in 1891, 981*l.*; in 1892, 772*l.*; in 1893, 963*l.* in 1894, 667*l.*, is strongly in favour of compensation for its use.

Guild, 53,526.

The great majority of witnesses of practical experience favour the proposal, and think fraud could be prevented.

Bowen Jones, 44,700. Speir, 46,830.

"I am quite convinced that it can be carried out in fairness to both parties, but you must put the whole responsibility upon the tenant, of proving that he has first grown the corn and then used it."

46,872.

Mr. C. S. Read thinks there is no more difficulty in checking fraud as to home consumption of corn grown on the farm than as to taking it off one farm and putting it on to another, as is done now. The onus of proof must be on the claiming tenant, he must keep books to show what became of his produce, and substantiate his claim by this evidence, and the evidence of his men and his tradesmen.

16,249.

16,250-5.

The book containing the entries of home-grown produce used should be signed each day, and falsification made a criminal offence.

Guild, 53,588.

Mr. Guild thinks the principle of compensation should be extended also to hay and other produce.

53,582-7. 32,272, &c.

On the other hand, Mr. Forster strongly opposes the proposal as leading to fraud, and Mr. Middleton and the Cleveland Chamber think it unworkable. Mr. Looker, a Hunts land agent, takes the same view. So does Mr. Peile, a Scottish agent. I can see no insurmountable difficulty in granting this form of compensation with the checks suggested by Mr. Read and others. And it is obviously illogical that two farmers should be able, by continually selling corn to each other, to obtain compensation, while the use of the same corn by the producer on his own farm brings no compensation.

2343.

41,376.

52,247.

See Guild, 53,460-70. 53,495.

A still more vexed question is whether there should be compensation for feeding stuffs and corn consumed by horses. It would seem, on the whole, fair that they should be granted on the conditions laid down by the Central Chamber that such compensation should be restricted to horses "exclusively engaged or kept on the holding."

223. The Central Chamber and most of the witnesses wish to strike out the proviso in section 1 of the Act, as to the "inherent capabilities of the soil." The argument is that whatever these capabilities may be, they are paid for already by the tenant in the rent, and that it cannot be just that they should be taken into account in reduction of the tenant's claim for the value of his improvements. Others think it wholly inoperative, and had therefore better go.

"Inherent capabilities of the soil." Druce.

Lander, 33,440.

Lipscomb, 20,468.

Bowen Jones, 44,685.

Lawes, 41,034-42.

Mr. Bowen Jones, on the other hand, thinks that "if there are any inherent capabilities they should belong to the landlord," and Sir John Lawes thinks that "fertility," being the natural property of the soil, should belong to the landlord, while "condition" is what really is caused by and should belong to the tenant. He does not, therefore, object to the proviso.

On the double ground that the inherent capabilities are already paid for in rent, and that the proviso offers an indefinite opportunity for whittling down a tenant's claim without adequate and producible evidence, I think that the Central Chamber are right in wishing that the words should be struck out.

224. Several witnesses strongly favour the older principle that compensation should be based on outlay, and hold that the principle of the Act that the "value of an improvement to an incoming tenant" is too vague and unsatisfactory a standard to work upon.

The standard for compensation.

Thus Mr. Kay thinks that the words of the Act lead to misunderstanding and to the ignoring of improvements, and that compensation should be awarded on some schedule stipulating a return to the outgoing tenant of some fixed proportion of his outlay.

Kay, 13,996, 14,023-36. Hutcheson, 24,612-3.

13,197. Mr. Dobson thinks it would be desirable to keep the schedules in a new Act. The valuer might specify for which class of improvement the compensation was awarded, and then, if necessary, a further sum for general improvements beyond the items mentioned.

30,228. But the great mass of authoritative evidence is altogether the other way. Thus Mr. Scott:—"If it were enacted that a certain portion of what the outgoing tenant had spent would be repaid to him, that would be still worse than the present Act, which does not sufficiently take into consideration the improved condition and fertility of the soil."

The able group of men in Northumberland, with whom Mr. Scott has been identified, have tried to get just valuation of quality as well as quantity by classification. Their object was to grade compensation according to the skill and thoroughness with which any improvement was carried out, and the cleanliness and good cultivation accompanying it. By combining time scales of exhaustion with a division into three classes, of excellent, creditable, and bad management, they sought to secure for the best and most skilful farmer a proportionate reward.

But the experience even of this scheme has not been satisfactory.

Wilson-Fox,
p. 21.
Glendale,
p. 37.

Mr. Scott, who was one of the committee who drew it up, now says:—"I have come to the conclusion that it is quite impossible to fix a scale for compensation. I thought it possible at one time, and helped to frame the Newcastle rules, but I now believe that claims must go to arbitration." "Taking lime, for example, on one part of my farm it will last 20 years and on another part 10 years." Other local experts agree that no hard and fast line is possible.

I am of opinion that Mr. Riddell's contention, that the arbitrator should determine what is due to the tenant by a careful examination of the quality and condition and productive power of the farm, comparing this result with the evidence of its previous condition, and using the figures as to outlay merely as evidence of what has been done, and not as a mechanical measure of the results, is sound, and should be the guiding principle of valuations.

Conclusions.

Nunneley,
56,086.
Dickie,
52,374.
Bowen
Jones,
44,674.
Druce,
20,355-9.
Riddell,
54,562.
Bear, 27,751.
Elliot,
52,473-5.
Elliot,
52,477.
Nunneley,
56,102-9.
Elliot,
52,478.

225. To sum up the evidence as to compensation for improvements and the extension of the principle. I am of opinion that while there is much to be said for getting rid of classification by schedules altogether, and allowing a perfectly free hand to the tenant to carry out any improvement on the understanding that he does so at his own risk, and will receive nothing for it, unless it is held at a reference on the determination of the tenancy to have added to the value of the holding; I am compelled to give great weight to the evidence of a general wish, the part both of the tenant and the landlord, that the more important improvements should be carried out by the landlord, and I think this result will be better obtained, and the relations of landlord and tenant more readily adjusted, if the whole of the more permanent improvements now set forth in the first part of the schedule should be put together with drainage in a separate schedule. I think that the procedure of the Act as to drainage is too cumbrous, and has been shown in evidence to have been for that reason inoperative. I therefore recommend that as to all improvements in the new schedule, the tenant should be perfectly free to carry them out, but that he should give notice to his landlord of his intention to do so. This would enable the tenant to carry out the improvements himself, without the delay and complication of the drainage procedure, if he chose to do so, while it would lead in general to a prompt and satisfactory agreement as to the improvements being carried out by the landlord, and would enable the landlord to take prompt steps to protect himself, in case the tenant proposed to erect unsuitable buildings, or make undesirable changes of cultivation.

Appendix
II. to this
Report.

Clause 2 of the Agricultural Holdings Bill, 1897, and the Schedule to that Bill have been drawn to give effect to this recommendation.

RETROSPECTIVE COMPENSATION FOR SUITABLE IMPROVEMENTS.

Extension of
the principle
sanctioned by
Parliament in
the Market
Gardeners'
Compensation
Act, 1895.
Rowlandson,
Hutchinson,
Wilson Fox,
Lincoln, p.

226. I am further of opinion that the important principle sanctioned by Parliament in the Market Gardeners' Compensation Act, 1895, that where a tenant had previous to the passing of that Act carried out improvements for which that Act gave compensation on a holding in use as a market garden, might be extended with excellent effects to ordinary farms. Mr. Rowlandson and several other witnesses have stated to us that they have carried out important and costly improvements on their farms, relying wholly on the honour and good faith of their landlords, and without, of course, any legal security whatever.

In the event of a reference under the Act, I think it highly desirable that the arbitrator should have power to determine whether any such improvement was suitable to the purposes for which the farm was let, and therefore an improvement which might be assumed to have been contemplated in the letting of the farm, and that, in the event of the arbitrator deciding that the improvement was suitable, he should allow compensation for it retrospectively according to the precedent of the Market Gardeners' Compensation Act. Gilchrist, 53,136, &c.

And in the event of such an amendment of the Agricultural Holdings Act being sanctioned, we think it should be provided that necessary and essential changes in the cultivation of the farm, like the laying down of permanent pasture, or the erection of suitable buildings and appliances for dairy work, when likely to succeed, should be declared in such an amending Bill to be suitable and proper improvements which should receive compensation, and that compensation should be awarded for them, unless it is proved that the landlord had dissented in writing from any such improvement.

Clause 3 of the Agricultural Holdings Bill, 1897, gives effect to this recommendation. Appendix II. to this Report.

COMPENSATION FOR THE SITTING TENANT.

227. I have already expressed agreement with the view of Sir James Caird, that the most serious defect of the Agricultural Holdings Act, 1883, was that it restricted compensation to the tenant who was leaving his holding, and gave no direct protection to the property rights in his own improvements of the tenant who was remaining in his holding, and entering on a new contract of tenancy. Compensation for the sitting tenant. See paragraph 191.

In the analysis I have submitted of the relation of rents to agricultural depression I have already indicated that the force of competition, increasingly directed towards farms in high condition, operates to prevent the improving farmer from obtaining such a reduction of rent as will leave the material return from his outlay in his own pocket, and that the more continuously and effectively a tenant has maintained and improved the condition of his farm, the more certainly is the whole value of his improvements transferred to his landlord by rack renting. See paragraphs 69 to 76. Wilkinson, 31,486. 31,507.

I now proceed to consider suggestions for the prevention of this injustice by amendments of the provisions of the Act.

The suggestion made by Sir James Caird, and defeated in Parliament in committee on the bill in 1883, was, that the words "on quitting his holding" should be omitted, and compensation for improvements be recoverable on the termination of a tenancy, whether the tenant left or entered into a fresh contract. Gilbert Murray. 5485.

The compensation might be in a lump sum, or might, by agreement or award, take the form of a reduction of rent for a number of years corresponding to the probable period of exhaustion of the improvements, or of a charge on the holding for a similar number of years. In case either of these alternatives to a cash payment of the whole sum due were adopted, and the tenancy was terminated before the specified period had run out, the actuarial value of the reductions of rent or instalments might be paid over to the tenant. This scheme of Sir James Caird was worked out in Clause 10 of my Agricultural Holdings Bill, 1894, in the form approved by Sir James Caird himself in 1887. This clause is omitted from the Agricultural Holdings Bill, 1897, partly for simplification, partly because its procedure would naturally be arrived at by agreements between the parties. Agricultural Holdings Bill, 1894.

228. Several of the Scottish witnesses put the case for this method of compensation very clearly. Scottish evidence on the point.

Mr. Black says, if the tenant on renewal is not getting cash payment—"I do not know a case where he ever has got payment if he was continuing in the holding—I think he is entitled to a reduction in the fixing of his rent under the new lease." 51,747-8.

"But as a rule the practice has been that the proprietor, either through his factor, or a valuator, has put a rent upon the farm—the sitting tenant has the option only of taking it at this rent or leaving it. The landlord values the farm as it stands, improvements and all, and charges rent for the full value. It would be a sound principle for the landlord when it was ascertained what the amount of compensation due to the tenant for improvements, if he left, would be, to allow a proportionate per-centage of reduction off the rent." 51,801. 51,802. 51,803-4.

Mr. Elliot thinks the sitting tenant should be compensated either by fixing a proportionate rent, or by paying in money. If this is not done at the determination of the tenancy, he will certainly on renewal pay rent on his improvements. "Farms are valued [for a new lease] at what they are considered worth at the moment, without

- 52,533. taking into consideration the tenant's claim. "When the new rent is fixed, the remaining value of the tenant's improvement should be determined."
- 52,529. There should be a reduction from the rent proportionate to the value of the improvements.
- 52,530. Mr. Elliot does not think that in practice the landlord would ask a still higher
52,532. rent to cover this, but he might do so.
- 53,299. Mr. Dun doubts if you could give the sitting tenant money compensation, but wishes to "arrange matters so that he could take his farm again as easily as if he run down its condition; it would be a great advantage to him and to the country."
- Fyshe,
54,109-112. Mr. Fyshe thinks the adjustment would be easy by the help of the record of condition. The rent would be determined by the arbitrator according to the condition of the farm, and some interest on the improved value caused by the tenant should go to the tenant.
- 54,188. Mr. Ballingall thinks it should be arranged amicably between landlord and tenant that if he has been an improving tenant, and has added to the value, the landlord should make the rent cheaper on that account.
- 54,215. "The official valuator would go over the land, and value it in its present high state, and then consider the outlays. He might say the land is 50% better for these, and therefore he takes that off his valuation, and says, "That is the valuation I think you should pay." "It would be the interest of the compensation the landlord would have had to pay if the tenant left."
- 55,000. Mr. Rutherford thinks the tenant should be entitled to have the value he has added, allowed to him. The record of condition, the vouchers for cakes, manure, &c., and the relative fall of rent as compared with similar farms, would enable the official valuator, on viewing the farm, to accurately measure what is due to the tenant. Supposing the farm had fallen in these times 28 per cent., while others had fallen 40 to 45 per cent., the difference capitalised really belongs to the tenant.
- 55,020. He would, on renewal, be quite willing to "let the award lie over, but that in the
55,084. event of the tenant leaving the holding, the money should be handed over to him."
55,088. "It would be left as a sort of guarantee to the tenant." It would be repaid gradually to the tenant in the form of a deduction from the valued rent.
- English
Evidence.
Carrington
Smith, 8,155.
8163. 228. Among English witnesses, Mr. Carrington Smith wishes full compensation for all improvements at the determination of a tenancy, whether the tenant quits or not. The payment by the landlord to the tenant would prevent an increase to the rent, inasmuch as it would put it into the tenant's power to make his bargain before his rent was increased.
- 9709-10. The obligation of the landlord to pay the capital value of the improvements before
9718. the rent was raised would prevent the renting on the improvements, and fixity of tenure would not be needed to secure the tenant.
5342. Mr. Gilbert Murray, from the land agent point of view, is willing to compensate the sitting tenant either in a lump sum or by a proportionate reduction of the future rent.
- 13,188-9. Mr. Dobson, a Cumberland farmer, says that this would be the greatest advantage an amending Bill could confer. If the words "On quitting his holding" were struck out, it would be impossible to have a farm revalued without compensating the tenant for his improvements.
- 13,249-51. If it is argued that the tenant, after receiving compensation for his improvements, is stopping and enjoying the use of them, the answer is that the landlord is compensated by a higher rent than he otherwise would have received.
- 21,657. Mr. Sheldon, on the same point, that the landlord having paid for the unexhausted improvements, the tenant would go on and get the benefit of them, explains that, in return for paying for the improvements, the landlord would get a higher rent not only from natural causes, but from the tenant's improvements themselves.
- 25,722. Mr. Long thinks the absence of protection for the interests of tenants remaining on the farms in a new tenancy "is the greatest blot on the Act, and the greatest misfortune for agriculture."
- 33,630-6. Mr. Lander states that one of the main reasons for compensating the sitting tenant is that farmers who farm highly are less able to get reasonable reductions of rent, and that the remaining value of the improvements should be fully considered before the new terms are settled, and a sufficient reduction of rent allowed to cover the improvements.
- 56,061-7. Mr. Nunneley explains clearly that what is wanted is that the tenant, when remaining in a new tenancy, should have allowed to him the full remaining value, just as if he were leaving; the rent should not be raised without a settlement. Where the tenant gives notice, with a view to a reduction of the rent, and the landlord says

"your land is worth the money in the condition it is," the tenant can say "it is owing to my outlay," and should be entitled to get a fair valuation. "He would then be in the position of a new comer, and would pay in rent what the farm was fairly worth." The landlord would of course have to pay the compensation if he was letting to someone else, so that the arrangement is absolutely fair for both sides. 56,065.

The above evidence sufficiently indicates the gravity of the mischief to be provided against, and the methods of such provision.

Further, no serious objection was made in evidence to this proposal.

Mr. Rankin, speaking as a landowner, says of the principle that a tenant if he wishes to remain should have a valuation of what he did for the farm, that he sees "nothing to disapprove of in it; I think it is fair and just." 5773.

229. But several witnesses have pointed out difficulties which seem to them to make the remedy impracticable. Difficulties and Objections.

Thus Mr. Bowen Jones thinks it might be done where a rise in the rent was proposed, but that it would be very difficult to apply to the other case, much more frequent, when the improving tenant cannot get an adequate reduction of rent. 44,681-4.

Mr. Gillespie recognises the injustice, and that it might be desirable to devise some means of allowing a certain per-centage from their rents, but thinks it is impracticable. See Bear, 27,739, &c. 50,851-2.

But the point most pressed is that the payments which it has become customary for the incoming tenant to make, not only for tillages and sometimes crops, but for manures and cakes, would have to be made by the sitting tenant after the tenancy was renewed, and thus he would be compelled to repay to the landlord what had been awarded to him as outgoing tenant by the arbitrator, and thus at the end he would be where he began, and the whole proceeding would be nugatory, except that if the parties did not agree, there would be the needless cost of a reference. See Nunneley, 56,174-56,209. Carrington Smith, 9711.

In my opinion, this is an ingenious fallacy, based upon a practice which I agree with several witnesses in thinking is inconsistent with the principle of the Act and with justice.

Mr. Nunneley says: "I have always held that these improvements ought to be paid for by the landlord, and not by the incoming tenant. It makes too large an inroad on the incoming tenant's capital, besides which he does pay twice over. A farmer takes a farm at a high rent because of the good condition it is in, and he has to pay a sum to the outgoing tenant for the manures and cakes which have brought it to that condition. I have always contended that the landlord ought to pay for the manures and cakes which have brought the land into that condition." 56,208.

The ground for proposing compensation to the sitting tenant is that the rackrent will be charged by the landlord, including the full remaining value of the tenant's improvements.

If the full market value is charged, the incoming tenant ought in no case to make any such payment at all, and when the incoming tenant is the old tenant renewing his tenancy, it will be only a repetition of the wrong sought to be remedied for him to make such a payment, and he will rightly retain his compensation as a set-off to the rackrent.

If, on the other hand, the rent is reduced so as to leave a fair margin for the remaining value of the improvements, no question arises, as the sitting tenant will have received his compensation in the rent.

Furthermore, it is obvious that the question would never arise where only the minimum of compensation could be claimed for fertilisers and acts of husbandry. The proposal would only come into play, in cases where the tenant has a very heavy investment of his capital in his holding either in the way of more permanent improvements, or in high continuous farming bringing about the maximum of fertility, when in fact the tenant would be in a position to make a very considerable claim if he was quitting his holding.

In such cases, at present, the landlord is able to exact a rackrent, because his tenant fears that his loss by realising in bad times would eat away any possible compensation, and therefore is willing to make any sacrifice to remain and make what he can out of his investment.

230. It is, of course, plain that unless there is some power, judicial or otherwise to fix a fair rent, a landlord who is determined to act unjustly might, even with this proposal made statutory, effect his purpose by raising the rent so as to more than cover the compensation. But in practice I am of opinion that the remedy suggested by Sir James Caird would in general lead to an amicable settlement, by placing the tenant in a more advantageous position to bargain and removing the perilous insecurity in which he now stands to a great extent. Conclusion.

I think the natural and just procedure would be to fix between the parties by valuation or agreement the rent of the farm in its existing condition, and then assign to the sitting tenant the value of his improvements by allowing a per-centage upon the money value of the compensation he would have got, if he had left the farm, as a deduction from the rent. I see no reason why, in general, such an arrangement could not be come to, and I believe this to be substantially the practice now on the best managed estates.

Hutcheson,
24,462.

This change would, in our opinion, have as a result that the landlord instead of being tempted to squeeze the tenant because of his reluctance to abandon his improvements will consider that, whether he drives the tenant away or keeps him at an unfair rent, he will have to pay the full value of the improvements, whereas he may save his money by giving the tenant a reasonable reduction off the rackrent and let him remain. The reform substitutes a motive of common sense for a thoroughly base, though often unconscious, motive.

COMPENSATION FOR DISTURBANCE.

Compensa-
tion for
disturbance.

231. Another proposal frequently made in evidence, with the view of putting the tenant on a more equal footing in bargaining as to rent and conditions of tenure, and of giving him greater security as regards both the retention of the holding, and of his interests in his improvements, is that under certain circumstances compensation should be paid for disturbance.

Lipscomb,
20,906.

The proposal was, it appears, originally adopted by the Committee of the Central Chamber, and only struck out at the last moment from their report, and has twice received the approval of the Chambers.

87,833.

Mr. Latham, who has had notice to quit, owing to the bankruptcy of his landlord, thinks that in such a case, or on the death of an owner, or in the case of capricious eviction, the tenant should receive compensation for a disturbance such as it is almost impossible for him to foresee. Such a change of ownership through death or bankruptcy may drive out a tenant who has built up an important business connection.

Kay 14,879,
&c.
Cooke,
22,047.
Parker,
10,489.
Smith,
9960-2, &c.

Other grounds stated by tenant farmer witnesses are the eviction of tenants for action taken in regard to the enforcement of the Ground Game Act, and resistance to illegal agreements in violation of that Act; or again for political or religious motives, of which several instances have been brought before us.

Mr. Barlow thinks there should be compensation where a tenant is forced to quit, capriciously or otherwise, and whether the disturbance is because of killing rabbits, or because of excessive rent, or any other cause.

2724.
2908-9.
2995.
Ferguson,
23,310.
3070-1.

Mr. Kidner thinks that the loss of business and family connections, and the heavy money loss of removal, create a strong motive compelling a tenant to consent to pay excessive rents; thinks there should be compensation "when a man cannot stay on his holding, either from not being able to get his rent properly adjusted, or because the landlord wants to remove him from any cause whatever, except in the case of bad farming. The compensation for his improvements on quitting would not nearly meet his loss in general."

25,474-81.
25,749, &c.

Mr. Long advocates compensation for disturbance equal to trade loss, where an owner reserves a farm for his own use, and turns out a farmer who has established a business connection.

27,697, &c.

Mr. Bear, who prefers "free sale" as the measure of tenant's improvements, and the best method of securing the tenant's interests, says that if "free sale" is not granted, you should have compensation for disturbance when a landlord gave notice to quit, because a tenant was carrying out improvements which were shown to be for the benefit of the holding.

31,390.
31,528, &c.

Mr. Wilkinson, while not advocating fixity of tenure, thinks a tenant has insufficient security, and is often compelled to accept unjust, and unreasonable and vexatious conditions, and unjust rents, rather than leave the farm, and suffer great loss and expense. "I think the tenant should be protected from arbitrary notice to quit by being allowed compensation for disturbance. We want to be able to deal with our landlords on equal terms, and not for them to be able to say, 'sign that agreement or quit your farm.' We are tired of that sort of thing in Northumberland, and not going to tolerate it any longer." Where a man is refused a reasonable reduction of rent, and forced to quit his farm, "he is entitled to fair compensation if he has to put his stock on the market in bad times.

31,574.
31,586.

Mr. Olver says "it is a considerable cost for a tenant to move from one farm to another. Suppose a man may be on a farm for many years; he lays out his money

and improves it, something turns up between him and his landlord, and he is turned out, and there are no means of getting back his capital again, I think he ought to be paid under those circumstances." 37,699.
37,700.

Mr. Reynolds, answering the objection that compensation for disturbance is one-sided, and that you cannot compel the tenant to stop at a rent fixed by a court or arbitrator, says "the landlord would have nothing to complain of, because the farm would let directly, assuming that if we have a court to fix a fair rent it will fix a fair rent." 41,680, &c.
41,707.

Mr. Lander thinks it indispensable to the security of the tenant to provide compensation for disturbance. To effect this reform together with compensation to the sitting tenant after determination of a tenancy and limitation of penal rents to damage proved are, in Mr. Lander's opinion, remedies in substitution for a Land Court, which will place the tenant on a more independent and equal footing for the adjusting of rent and other matters. 33,440.
33,620-4.

Mr. Pringle, in his report on the South Midlands, refers very strongly to the general sense of insecurity of tenure, there being large numbers of cases in which the old tenants had been forced out of their holdings by the refusal of sufficient reductions of rent. "Compensation for improvements can never be regarded as equivalent to peaceful continuance and enjoyment on fair and reasonable terms." Pringle, Beds, &c., p. 59.
also 47,609, 47,625, Beds, &c., p. 59.

232. In view of the frequent recurrence during the evidence to proofs of a strong feeling on the insecurity of tenure, considerable weight must attach to these suggestions.

So far as it has been possible to gauge the feelings of tenant-farmers during our inquiry there is at the present time a general reluctance to being bound down to pay a stipulated rent for a long period. Leases and fixity of tenure are not in favour, at any rate in England. But the sense that the more a tenant does to improve his farm the less power he has to arrange fair terms for continuing his tenancy is, in my opinion, wholly inconsistent with the well-being of agriculture. And it is, without doubt, the one idea most tenaciously held, and most frequently dwelt upon, by the majority of the tenant farmers who came before us. Conclusion.

The landlord should have the fullest power to obtain, at the proper times, the rent agreed upon, and to insist that the tenant shall not persistently injure his land by acts of waste. But beyond these powers, which are necessary to protect the landlord's interests, I do not think it unreasonable that a pecuniary check should be put on any arbitrary action, which compels the tenant to leave his holding, a pecuniary check reasonably measured by the loss thus caused to the tenant. And such arbitrary action could hardly be confined to capricious or unjust eviction. Injustice as cruel may be inflicted by the refusal of a fair reduction of rent, which compels a tenant to quit his holding, and to lose the savings and investments of half a life time. I submit that in such cases, where a landlord refuses to reduce the rent reasonably, or to submit the matter to arbitration, the tenant should be entitled to some compensation for his loss by removal. It would contribute to steady and improving occupancy and benefit all concerned if the tenant's position were made more secure by giving him a legal right to be compensated for his losses in being compelled to leave his farm, owing to the action of his landlord, except for non-payment of rent and for bad farming.

LAW OF DISTRESS.

283. Many practical witnesses have expressed their opinion that the total abolition of the law of distress would be of great benefit to agriculture.

"I would abolish the law of distress in the first instance, so that the landlord and the tenant should be on an equal platform in making the original bargain as to rents."

"It not only increases unfair and unsound competition for farms, but directly leads to bad farming."

"The abolition of the law would tend to reduce rents, perhaps 10 per cent., and would bring in men with real capital."

Mr. Sheldon thinks that the great advantages in credit and in other ways, would more than counterbalance any change in the way of paying rents more promptly, and of late years arrears are not generally allowed. 21,717.

"The landlord, as preferential creditor, is taking, in the form of rent, the interest on his capital, whereas another creditor may lose, through that action of the landlord, not only his interest but his principal. I have known cases where the landlord has actually seized and taken implements and machines, sold to a tenant by a neighbouring agricultural machine maker, who has lost the whole." Long, 25,513-21.

Kidner,
2940.

Kay, 14,051.

The lessening of competition would, in Mr. Kidner's opinion, promote better farming. Mr. Kay condemns the present law, as stimulating competition by unsubstantial men, and leading to other creditors not being paid, while the landlord secures payment in full. He does not think the abolition of distress would cause rents to be paid in advance. It would operate to cause the agent or landlord to make more careful inquiries in selecting tenants.

Mr. Bear and the leading northern farmers, Messrs. Rowlandson, Scott, Wilkinson, Forster, and also Messrs. Lander, Olver, Brown, and Wyatt from the south and western counties, all desire the abolition of this power. So does Mr. Owen Williams in Wales, with qualifications.

Mr. Dutfield and others do not think abolition would lead to payment of rent in advance, and that abolition should apply to future tenancies.

On the other hand, witnesses from the south and east, like Mr. Read, oppose abolition, on the ground that it would press hardly on struggling farmers.

Mr. Edwards thinks that it would damage the chances of young beginners in farming.

Mr. Biddell believes abolition would limit the numbers of those who rise from very small occupations to large ones.

Mr. Johnson thinks the law of distress does the farmers no harm.

Mr. Fisher objects to abolition, as it would lead to prepayment of rents. Its retention is beneficial to farmers. The landlord is the most lenient creditor.

Mr. W. J. Clark quoted by Wilson Fox says:—"Abolition might lower rents, but would lead to many farmers being sold up."

Another Cambridgeshire farmer says: "If the law of distress were abolished, we should get the land 10s. an acre cheaper here. I should not mind paying rent in advance."

The land agents and owners generally oppose further restriction of the right of distress as unjust to the landlord and prejudicial to tenants, especially those starting in farming. The abolition would only benefit the other creditors.

Mr. Druce does not think abolition would be beneficial, but thinks the procedure unsatisfactory. He and other witnesses strongly urge that the law should be amended, so that in all cases the intention of Parliament, that distress should be strictly limited to 12 months, should be carried out. Under certain agreements at present it is possible for distress to be levied for 18 months to two years.

Mr. Middleton probably expresses an opinion widely held that many prefer things as they are, as the landlord is the easiest creditor to deal with, and the tendency of the law of distress is rather to protect the small farmer.

The balance of evidence seems to show that it must ultimately be to the benefit of farmers of all classes to have this right of the landlord abolished, that the right tends to maintain rents at a fictitious level, and to limit the freedom and enterprise of farmers, and I therefore recommend its abolition.

234. The desirability and the necessity of having one, simple and complete, procedure for the recovery of compensations and payments under the custom of the country, as well as under the provisions of the Act, has been brought before us by several witnesses.

Mr. Read complains that "a tenant, if he has any advantage in his lease or agreement, or by custom, is not allowed to bring that forward to augment his claims, whereas the landlord can claim the lease or the agreement, or the custom of the country, or the Act against the tenant." Mr. Read should have added that the landlord has also very large powers under the common law, whereas the common law presumes everything against the tenant, because all improvements by the common law fall to the land and go to the owner unless law or agreement steps in.

Mr. Lipscomb emphatically supports this suggestion.

Mr. Druce says: "As a matter of convenience, and in fairness, it is only right in my opinion that the Act should be amended so that the whole payments on the determination of a tenancy, including all matters and things which are commonly payable under the custom of the country, may be included in one award, and enforceable as one sum."

In the case of *Farquharson v. Morgan*, although it was stipulated in the agreement that tillages and some other matters usually payable under the custom should be paid for under the Act, it was held that the county court judge had exceeded his powers in confirming the award of the umpire on appeal, and in issuing an order under the 24th section of the Act, to recover the whole amount of the award, including, as it did, items not specified in the Act, as payable under and recoverable by the procedure of the Act. The tenant thus suffered heavy loss because he relied on his agreement, the stipulation of which could not be carried out by the machinery of the Act.

27,775.
50,074.
30,140.
31,592.
32,198.
33,408.
37,513.
10,865.
57,714.
58,737.

16,066.

16,117.

16,270.

25,323.

39,519.

39,599.

7725.

58,462-4.

Kirby,

60,650.

Powell,

61,905.

Cambridge-
shire, p. 24.

Do., p. 25.

Watson, 2198,

2220.

Drummond,

60,447.

Punchard, 14,920.

Rankin, 5578.

Duke of Rich-

mond, 22,741.

Druce,

20,062

20,070, &c.

Carrington

Smith, 9612, &c.

Druce, 24,065,

20,135.

Rowlandson,

2618-22.

Payments under
customs and
agreements
be recoverable
under the Act.

16,878

20,823-32.

19,987.

Druce.

Carrington

Smith.

Rew, Dorset,

F. 27.

Such a case is a vivid illustration of the absurdity of the methods by which the rights of landlord and tenant are attempted to be adjusted. It is obvious that the consolidation of valuations and of procedure for recovery is imperatively necessary. These considerations show also that the proceedings under a new Act ought to be simple and rapid and decisive enough to make it easy to include all the matters that have to be decided between outgoing tenant and landlord, and incoming tenant, settled by one man and in one award. Simplicity of settlement is one of the strong reasons why so many farmers in some counties prefer to go out under the custom than under the Act.

In a new Act, therefore, a clause should be included to the effect that where a tenant is entitled, under custom or otherwise, to claim compensation in respect of tillages, crops, seeds, straw, hay, or manure left on the holding, or for cartage or in respect of a proportion of rent, rates or tithe, or for any other matter or thing connected with the holding, he may claim under the Act as if any such thing were included in its schedules. This provision is embodied in clause 50 of the Agricultural Holdings Act, 1897.

See Agricultural Holdings Bill (1894), cl. 55.

VALUERS AND ARBITRATION.

235. I have already pointed out in paragraph 189 that one of the essential defects which had perverted the operation of the Act was the lack of machinery to carry it out. The Act was left to the discretion of the existing valuers.

Existing valuers and arbitrators.

The evidence shows a practically unanimous opinion that the present type of valuer and modes of valuation are unsatisfactory, and have done more than anything to defeat the intentions of Parliament.

Mr. Pringle states this point forcibly:—

Pringle, Beds, Hunts, Northants, p. 66.

“Wherever I went there was a perfect outcry against the manner in which, and the parties by which, the Act had been administered. ‘Any fool can be a valuer;’ when a farmer failed at his business he could take to valuation, for so long as he gave the amount, and stated the articles he had valued, it mattered not how his conclusion had been arrived at.” Again, “The landlord is a fixture, the tenant removable, so that the valuers lean to the landlord; the odds were all in favour of the side which had most power and could give most jobs.”

See also 47,664, &c.

The referee and umpire system has failed, and will never satisfy either landlord or tenant in deciding compensation for improvements or a fair rent.

Pringle, Beds, &c., p. 66. Rew, Norfolk, pp. 55, 56. C. S. Read, 16,141.

“The valuers in Norfolk ‘boycott’ the Act.”

“If the present valuers exercise their powers as they now do no Act will be of use in Norfolk.” The tendency of valuers is shown by the suggestion from Norfolk that “all agents should be struck off the lists of valuers.”

17,546.

The leading farmers who gave evidence strongly condemn the present state of things.

Mr. Rowlandson:—“I hope that you will do away with a certain class of men that I should like to see eliminated.”

Mr. James Stratton:—“It would be a great help to have [an official arbitrator; the valuers do not seem to know what to do, and their action has not conduced to the encouragement to leave farms in the high state of cultivation so much desired.”

6728.

Mr. Middleton:—“It would be an advantage if the proper men were selected, it would cheapen the working of the Act, and it would be more equitably worked.” There are men carrying on arbitrations who do not grasp the provisions of the Act.

2470.

2629.

Mr. Lipscomb:—“I am perfectly confident that the complaints made against the Act are largely due to the faulty administration by valuers. I scarcely ever meet a valuer who is acquainted with the provisions of the Act.”

2469.

20,531, &c.

“I constantly find that valuers do not comply with the Act, and appoint an umpire before they proceed to business. These delays are most injurious; they are costly, and nobody gains but the valuers.” He suggests that “the umpire should be called in at once, and so get rid of two out of the three paid persons, except at the formal meeting.”

20,539.

20,543.

20,546-7.

Mr. Forster's evidence on this point is suggestive. His experience is that the umpires appointed by the Board of Agriculture are always land agents, whose living depends upon the landlords. The landlord always insists on referring it to the Board of Agriculture. We take “any unobjectionable man” instead. What we want is “an impartial person to act in all cases through the county.”

32,166.

32,169.

Mr. Hope, in his two reports, seems to express the general opinion of the ablest farmers in Scotland that “many of the arbiters who at present administer the statute fail to do so in the spirit of the Act, and there is the greatest dissimilarity and irregularity in the awards made by them.”

Hope, Roxburgh, &c. p. 39.

Mr. Druce thinks that “many of the existing arbitrators are unsatisfactory; I do not think they are quite as good men as they ought to be, “therefore troubles arise

19,965.

20,000-1.

20,011.

from land agents being so often umpires and valuers; they cannot help themselves from being on the side of the landlords. The farmers think that it is not a fair tribunal."

20,360. "I want the person who determines the question of compensation to be as strong and as well qualified a man as possible, and to get rid of the class of valuers who have had no education, and very often no practice."

Demands of practical agriculturists. 236. The almost universal demands are that (1) cases under the Act should be decided by men of a higher status, of more knowledge, more responsibility, and of more independence; and (2) that procedure should be cheapened and simplified by having cases decided by a single arbitrator.

Duke of Richmond, 22,725. Some witnesses are still of opinion that the present system of having two referees and an umpire is satisfactory and should be maintained. Many farmers believe it necessary to have their own valuer to represent them.

Simpson, 16,948. But the great majority of witnesses are clearly in favour of settling compensation cases by a single arbitrator, officially selected and appointed.

Noakes, 2370-2. 237. Mr. Hope points out the cost and complication of the present system. "There are usually engaged in ascertaining the rights of the two parties, two arbiters, an oversman, a solicitor as clerk, and two solicitors acting for the landlord and tenant respectively, and a considerable number of skilled witnesses." He adds: "One natural result of such a process is to cause a strong feeling of hostility, and make each side view the other's claim as an attempted fraud."

Scotch suggestions. Hope, Perthshire, p. 19. The wish is to substitute for those arrangements an official valuator or arbitrator who would decide authoritatively, impartially, and in accordance with the intentions of the Act.

Other Scotch evidence is to the same effect.

Davidson, 51,011-2. The Amending Agricultural Holdings Act for Scotland in 1889 by which either party can require the sheriff to appoint a single arbiter has led to more frequent decisions by single arbiters, but not as yet in a majority of cases.

Gillespie, 50,750-1. "It would be far better for everybody concerned if representative practical men in districts or counties should be appointed under Government to arbitrate between the landlord and the outgoing tenant." "A sole arbiter would be far the best." "There should be an official referee with power in difficult cases to call in one responsible person, and to get advice from a neighbouring referee." "My opinion is that a sole referee should take whatever legal or other advice he considers necessary, and decide accordingly."

Ferguson, 22,941. "The Government arbitrator would be supposed to be a man who would approach it from both sides of the question."

22,951. Mr. Davidson "would rather have an official valuator than a casual appointment by a sheriff, but would leave the parties free to select beforehand their own man instead of the official arbitrator. It might be well to limit the selection by the sheriff to an official list sanctioned by the Board of Agriculture."

23,086. Mr. Black thinks it would be cheaper and more satisfactory to have every question settled by an official referee.

23,116. The independence of such an official is insisted on by Mr. Ballingall, who says "the parties should not be allowed to nominate him, because that would bring in the wedge of friendship or partisanship."

Riddell, 54,533. "The sheriff is not an agricultural expert, and might not pick out the best man. We want officials who are officials and nothing else, who are not dependent on either proprietors or tenants for their business. We should have a permanent official for a defined district."

Black, 51,636. Mr. Stuart is also strongly for appointment by the Crown, instead of selection by the sheriff. Mr. Peile, a land agent, approves of a judicial valuator in place of the present system.

51,637-46. Two views crop up in the Scotch and English evidence. Some witnesses adhering to the idea of having some form of option, would prefer an official list from whom the arbitrator for any particular case must be selected; others, attaching most importance to absolute independence and judicial impartiality, wish for an official arbitrator with a definite circuit.

52,002-3. Mr. Speir says: "You might have for all Scotland a list for each of the three or four districts, or you might have a single person for each of the districts. The former plan has a good deal to recommend it, but against it is this, that, if you have a great many people doing the work you are sure to have many that are not suited for it, and you will have conflicting decisions, you will never have any continuity or uniformity of opinions on courses to be followed. Whereas, if you appointed a single

46,851.

man in a certain district, approaching in some respects to a sheriff in a county, you will then have uniform decisions and working. They might be applied to by either landlord or tenant as to any dispute which arose, or was likely to arise. A new tenant going into a farm might wish a record of conditions, or on the dissent of the landlord to any proposed improvement, might apply for a decision from these gentlemen. They might become a court of conciliation which would decide any difference between an old tenant and the landlord about rent, but they could only do so if they were entirely independent of either landlord or tenant. With a large list, there is a difficulty as to the independence. If the arbitrator has to draw upon either side for his work, he must be biassed. You must have him, like a sheriff, absolutely above partiality." 46,854.

Again, such an official would lessen, not increase friction.

"Many tenants lose a good landlord and landlords lose a good tenant for the want of a mediator. That is happening every day. I know of cases where had both parties only known where they could have got an unbiassed opinion they would have gone and asked it and abided by it. Several landlords and factors during my inquiry have said, 'If you could only get a person in whom we had confidence we would be only too glad in case of little differences to apply to him and be guided by his advice.' But his payment should not be from the State; let a stamp duty be paid on all the work which he does, as in the registration of deeds. All his work would be charged to the parties who employ him, and it would then go into some general fund, which would pay the cost of keeping up either the one, or the dozen, or 20 who might be employed." 46,855.

Mr. Guild: "I think it would work very much better and be more satisfactory to have one for a district, and he should give his whole time to it." "Four or five arbiters would do very well for the whole of Scotland, and if you had them sitting at a court of appeal, with the addition of a sheriff or legal adviser, it would be the means of getting a sound and safe judgment." 53,531.

Mr. Fyshe would have State-appointed and State-paid valuers for counties or groups of counties. Three of the four or five necessary for all Scotland would form a court of appeal. The Act would be administered from Edinburgh by a local branch of the Board of Agriculture. No appeals beyond this court of valuers should be allowed. 53,902-3.

There is also a strong feeling that the practical knowledge of such arbitrators and the uniformity of their decisions will tend to diminish the number of cases in which the parties take action. 53,893.

While Mr. Hope wishes the appointment of the official arbitrator to be made by the sheriff of the county, the majority of witnesses are clearly in favour of appointment by the State through the Agricultural Department. 12,284-9.

238. From the north of England similar suggestions are general.

The principle of a single arbitrator to do the whole valuation, to be an official, and not selected by the parties, is strongly supported by Cumberland land agents. English suggestions. Wilson Fox, Cumberland, p. 18.

Mr. Kay, who represents one of the farmers' organisations in Leicestershire, takes a similar view, and thinks the costs would be greatly lessened by making the county court judge the official umpire. There should be an official list of valuers from which the parties might select referees appointed by the county council, and not more than half of these land agents. 13,982.

The Cumberland farmers "would prefer some fixed tribunal with a legal president and practical assessors, working under a fixed scale of fees." Dobson, 13,179.

Mr. Punchard approves of the single referee principle, but would not make it compulsory. Arbitration now since the Act of 1889 is usually by one person, and that procedure should be extended to the Agricultural Holdings Act. 14,904-9. 15,036-7. 14,967-3.

Mr. Forster thinks "the Act fails from want of confidence in the umpire."

"The best plan would be for a person to be appointed to act in all cases through the county, an impartial person, appointed by the county council. Farmers would know when they were investing their money in improvements, what they had to expect." It would diminish litigation; "it is the uncertainty that causes the mischief." 32,297. 32,169. 32,172.

Mr. Bowen Jones wishes arbitrators appointed by the county council or the Board of Agriculture. 44,657, &c.

The proposal of an official arbitrator has for a number of years been advocated in the northern counties.

Mr. Coleman, reporting on Lancashire to the Richmond Commission in 1882, says: "It will be absolutely necessary that the umpires to whom matters that cannot be settled between outgoer and incomer in the ordinary method of arbitration must be referred, should be men of capacity, judgment, and impartiality. It would be very desirable that Government referees should be appointed for different districts, to whom 53,893. 53,534. 53,902-3. 53,893. 53,534. 12,284-9. English suggestions. Wilson Fox, Cumberland, p. 18. 13,982. Dobson, 13,179. 14,904-9. 15,036-7. 14,967-3. 32,297. 32,169. 32,172. 44,657, &c.

matters in dispute should be referred, who would hear evidence and decide without appeal. Some scheme of this kind will, as far as I can judge, satisfy the farmers of Lancashire."

Wilson Fox, Again, Mr. Albert Greg, president of the Lancaster Agricultural Society, suggested an impartial court in certain centres to decide questions of improvements and dilapidations.

Garstang, p. 22.
30,053. Mr. Scott would remedy the cost of procedure by having official valuers or commissioners, or referees appointed for each district, and a court of appeal, so many of these referees meeting together quarterly; the law courts to have nothing to do with it.

It would be better that these inspectors or referees or arbitrators should have nothing to divert their minds from their work. They should be, as it were, inspectors, and in that case, we should have them as a first court, and then, if there was an appeal, it would go to three or four of them, and would be decided by the majority. That would cheapen the whole process. "Legal gentlemen are very fond of evidence, but we would hope that the official referee would not be equally fond of it."

30,161.
30,165. Mr. Pringle has stated with much clearness the wishes of representative farmers in the South Midlands on this question.

Pringle, What is wished is "the appointment of county or district arbitrators, assisted when necessary by boards of assessors." "Upon the following points all are agreed. The Beds, Hunts, Northants, arbitrator must be so placed that any possibility of showing favour or manipulating awards will be prevented. His awards must state fully the reasons which have guided him in his decisions. He must be a servant of the State, employed, paid by, and accountable to Government. He must be familiar with the value of land and the customs of farming in the district."

Do., p. 67.
The court or board of assessors should be composed of representatives of landlords and tenants, to advise and assist the arbitrators in doubtful cases. The general feeling was that the arbitrator should be appointed by the Board of Agriculture, and the assessors by the county councils.

33,651-7. Another method is suggested by Mr. Lander, from Shropshire, and Mr. Kidner, from Somerset, both of whom wish an official arbitrator to be appointed by the district council for each district. The parties might act as their own valuers and have this official as the umpire. Mr. Kidner seems to think the arbitrator could be elected in some way by the parties interested. He would be paid by both sides on a fixed scale. Mr. Middleton also wants to have some choice in the selection of these men.

2723.
2903.
2929.
2465.
19,664. Mr. Druce thinks the appointment of all umpires ought to be made by the Board of Agriculture; the umpire in these cases ought to be a man who has the *imprimatur* of his capacity stamped upon him by the Board of Agriculture. There should be a certain number of men nominated by county councils in every county, and approved by the Board of Agriculture, and every reference under the Act should be to one of these men. In that way you would get as strong a man as possible, and do away with a desire for an appeal. The stronger you make the arbitrator or umpire in the first instance the better.

20,295-9. He favours the plan of settlement by a single referee, and that the referee should be selected from the official list, not by the choice of the parties but in rotation.

20,361.
17,458. Mr. Rowlandson, Mr. Lipscomb, and others support generally the recommendation of the Central Chamber of Agriculture, that all umpires should be selected from an official list, nominated by county councils, and sanctioned by the Board of Agriculture, or, in other words, the proposal first made in the Agricultural Holdings Bill of 1889. Mr. Lipscomb thinks it will still be necessary for most farmers to employ someone as a valuer to draw up the details of a claim. "I should only be too glad if this initial man were entirely set aside, and that the umpire should be called in at once." "The sooner you go to the umpire the better so as to get rid of the constant meetings, which is one of the causes of the trouble."

20,907-8.
20,923. Mr. Olver would have an official valuer or surveyor appointed by the county council, who should make records of condition and decide compensation cases.

37,726.
37,504, &c. Mr. Looker and others prefer a list, and freedom of selection, "as every one would not have confidence in one man."

41,924.
9726. Mr. Carrington Smith would leave the landlord and tenant, as now, to appoint their referees in the first instance, and then call in an official umpire instead of letting the referees appoint the umpire.

Conclusion. 239. The opinions thus expressed by many practical and representative men are conclusive that the present system of references is obsolete, and a serious hindrance to

the main purpose of any Act to determine the mutual rights of landlord and tenant. It is clear that the most satisfactory machinery will be the impartial judgment of a single arbitrator whose qualifications secure him the confidence of all parties concerned.

As to the manner of appointment of this official opinions differ widely, and much may be said for several of the conflicting suggestions. I am disposed to think that the higher the authority given to such an arbitrator, and the more judicial his functions, the weightier become the arguments for leaving the appointment to the Government instead of imposing on a local body a somewhat invidious task, into which personal and local considerations may enter, as well as the question of the perfect fitness of candidates for the office. I am of opinion, however, that local and practical knowledge of the several features of the agriculture of the district is an indispensable qualification, and that the Board of Agriculture ought to obtain satisfactory evidence as to this qualification from the county or counties concerned before making any appointment.

There is the even more important difference of opinion as to whether there should be a number of such official arbitrators appointed for a county or counties from which list umpires or single arbitrators are to be selected by the parties or the county court, or by some other authority, or a single official arbitrator appointed with jurisdiction over a specified tract of county like a county court judge.

I am inclined to think that the opinion of practical men has been steadily moving in the latter direction. The former scheme would seem a halfway house between two antagonistic systems, and to retain some of the mischief of the old system, without the full benefits reasonably expected from the "single and authoritative arbitrator" proposal. I attach much weight to the contention that an arbitrator of the type contemplated by Mr. Scott, and by most of the Scottish witnesses, would give decisions on broader and at the same time more consistent grounds, and would act as a better exponent of the intention of Parliament, and that procedure of this kind raised above the mere partisan efforts of competing referees would greatly lessen litigation, and settle disputed points on simple and definitely ascertained principles, with the minimum of friction, of outlay, and of cost. So long as the door remains open for either party to try in selecting from a list, whether officially sanctioned or not, to get the man with a bias towards the interests of his side, the obvious evils of the present system cannot be quite eliminated.

I see no reason why, if sufficient care is taken in the appointment of such arbitrators for definite districts, men of high character and absolute impartiality, as well as of practical agricultural experience, should not be secured for posts of this kind, in whom both landlords and tenants would feel complete confidence. I think the suggestions of Mr. Speir, as to their payment from a general fund with which all fees should be paid irrespective of the localities, deserve full consideration.

CHAPTER XIII.

ARBITRATION AS TO RENT.

240. In the preceding chapter we have considered how far, under the existing law, the interests and the freedom of the working agriculturist are protected, and the necessity for further protection in order to secure fair play for agricultural effort. It is obvious, on full consideration of the evidence as to insecurity, and of the various suggestions for strengthening the law, that the really essential difficulty, which all these suggestions are meant directly or indirectly to overcome, is the weak position of the tenant in bargaining as to future rent.

How far the suggested reforms really protect the tenant farmer.

The theory of the promoters of the Act of 1883 was that "in any negotiations between a landlord and an existing tenant for the renewal of a tenancy, in any claim which the tenant makes in times of depression and low prices for a reduction of rent, or whenever in better times the landlord demands a rise in rent," the position of the tenant in bargaining will be strengthened by his statutory right on quitting his holding to recover from the landlord the full remaining value of his improvements.

The evidence taken before this Commission shows conclusively that this theory has not been confirmed by experience, and that, so far from being stronger in bargaining, the improving tenant who has a large amount of capital invested in his holding is powerless to obtain fair conditions, and that his position is the more hopeless just in proportion to the interests he has at stake. It has been found that at any given moment in a period of low prices and general depression a tenant farmer of this class is bound to estimate that his immediate loss in quitting his farm, selling off stock, and

in removing to another farm, would much more than balance any possible compensation he could obtain under the Act.

The three main suggestions made to remedy these evils, viz., compensation for increased fertility, due to long continued good farming, compensation for loss by removal when a tenant is disturbed in his holding, and compensation to the sitting tenant at the determination of a tenancy, when the terms of renewal are being considered, have been fully discussed and approved in the preceding chapter.

These three amendments of the law, with the equally important amendment as to its administration by a single official arbitrator, would, in my opinion, very materially alter the position of the tenant as regards bargaining for a fair rent. At the same time it has been admitted that it would be, though less probable, still perfectly possible to defeat these objects by unjustly enhanced rents.

I therefore proceed to consider the evidence given as to the necessity and desirability of determining rents judicially, or by some form of arbitration.

Proviso as
to nature of
evidence.

241. The mass of evidence which has been analysed in the earlier paragraphs (127 to 186) of this report, and the very serious considerations it has been necessary to weigh and examine, as to the economic impossibility as well as the injustice of rents shown to be paid at the present time, have convinced me that the onus of proof must rest on those who oppose any reasonable scheme for reducing rents to an equitable and workable level. And reasons have been stated in paragraphs 183, 184, for some doubt as to the alleged acquiescence of farmers in the present state of things. And in the evidence of many witnesses there has been declared a strong desire for arbitration as to rents, at the same time that they express distaste and disapproval of what they call a "land court."

Further, it is obvious that the demands and suggestions should be examined as regards the substantial facts and grounds alleged, and without regard to the merely verbal distinctions made with imperfect appreciation by some witnesses; and also I think it not quite reasonable to expect that practical witnesses, who come before us to formulate such demands, should be prepared to submit precisely drawn proposals. The demands themselves and the general grounds on which they are advanced, seem sufficient to call for close scrutiny, with the view to meet the real necessities from which they spring.

The demand
for fair rents.
Bear.
27,582, &c.

242. I have no doubt that the strong feeling in favour of judicial rents which accompanied the early years of this depression from 1879 to 1882, and was then expressed in the proposals introduced in Parliament by the late Mr. James Howard, on behalf of the Farmers' Alliance, was for some years, more or less, slackened by the hope of getting something out of the Agricultural Holdings Act, and has again developed on somewhat bolder and more decisive lines owing to the general disappointment at the results of the Act, and under the urgent stimulus of the more acute and desperate stage of depression which has prevailed since 1892.

That there is a strong and widespread demand at present is shown in evidence.

Pringle,
Essex, p. 35.

Mr. Pringle says that although farmers in Essex were somewhat indifferent as to the Agricultural Holdings Act, "I had continuous evidence of their desire for better security in the form of continued occupation at fair rents, no charge being put upon their improvements." "The principle of the Irish Land Act was generally approved of, and the system therein devised of ascertaining a fair rent was recognised as practical and equitable. Courts of arbitration should be established, to which parties who failed to agree upon future rents could repair." At meetings at Ongar and Braintree resolutions were passed asking for the immediate extension to England of the Irish Acts, and "that in view of the failure of the Agricultural Holdings Act, and the present insecurity to the sitting tenant, and the desire to attract fresh capital to the land, arbitration courts should be established by the legislature as soon as possible."

Demand from
Lancashire and
other counties.
Wilson Fox,
Garstang,
pp. 24, 25.
W. Smith.

243. In Lancashire, where the movement in this direction has grown into an important organisation, extending also to Cheshire and Cumberland, there is a general demand for fair rents to be fixed by arbitration in some reasonable relation to the prices of produce. For this purpose a land court is suggested, and fixity of tenure, and free sale are associated with the proposal.

Wilson Fox,
Cumberland,
p. 12.
See Dobson,
13,141, &c.

In Lancashire, and also in Cumberland, where the Farmers' Association favours a land court to determine rents, it appears that the details of any scheme have not been unanimously agreed on, and there is divergence of opinion. Fair rent and fixity of tenure, it was held by some, would naturally follow from absolute security for improvements. "They had no other object in view in asking for an arbitration court for rent than to prevent men from bidding a higher price than the land was worth."

The president of this association thought "they would be satisfied with some form of voluntary arbitration, to which landlords and tenants could appeal to settle a question of rent." Wilson Fox, p. 13.

But the essential point to notice is that there is a universal sense of grievance as to rents, for which some solution should be found. Mr. Bird, a Westmoreland farmer, probably expresses the view in saying that, "though he was against a land court, the feeling was growing in favour of arbitration, owing to rents not having been adjusted to the present price of produce." p. 14.

In Dorset Mr. Rew reports a resolution: "That some court of appeal be formed, to which a tenant might apply, without prejudice to his occupation, for a re-assessment of his rent, or for the adjustment of any other grievance." A land court was also suggested, because improving tenants could not get the same reduction of rent as bad farmers. Rew, Dorset, pp. 27, 28.

The evidence collected by Mr. Rew in North Devon throws much light on the real drift of opinion. The general letting of farms by tender, and the keen competition thus provoked, leads to frequent "protests against the present rents as excessive."

Resolutions in favour of arbitration in all cases of dispute, and that land valuers should be appointed to arbitrate, were adopted at South Molton and Barnstaple. Rew, North Devon, p. 17.

Here, as in Lancashire, all the issues have not been thought out. Mr. Rew says: "Many who voted for the resolution did so with a vague idea that when a landlord refused to grant a reduction of rent an appeal might be made by consent of both parties to an official valuer, who would decide the matter in a friendly way." Others obviously wanted compulsory arbitration with enforceable decisions as to rent. p. 18.

244. Mr. Pringle, whose striking statements as to the insecurity of the improving tenant have been quoted in paragraph 144 of this report, states that the tenant farmers of the South Midlands submitted to him that "unless something is done to fortify the position of the good tenant, and protect him when disputes about rent arise, we need not expect capital to be invested in farming. They desire not the shadow but the substance of security." The wish for arbitration rather than land courts. Pringle, Beds, Hunts, Northants, pp. 60, 61.

He adds: "I have no reason to believe that landlords as a body would oppose the introduction of any reasonable system for the better security of the sitting tenant." p. 61.

"Already the propriety of arbitration has been admitted by some landlords; in some agreements of recent preparation *all matters in dispute* are referred to arbitration."

The general view of the farmers is, that the best way of overcoming the difficulties of settling disputes about rent or other matters would be by "an arbitrator in the service of the State, and with local knowledge." "Beyond the question of fair rent, and what might be called 'disturbance of the sitting tenant' there did not appear to be any other matters seriously requiring settlement."

As in other districts, the farmers had not closely thought out the procedure. 48,241.

Arbitration would, apparently in their view, mean that where farms had to be revalued for future rent, this should be done by an impartial official, instead of by a man selected by the landlord. 47,932.

Mr. Pringle thinks the desire is for compulsory procedure, not for a merely voluntary Board of Conciliation: "There is nothing at present to prevent landlord and tenant calling in a third party to value the rent, but that would be conciliation which would hardly be worth anything." 48,149.

An advisory board of practical men is also suggested, to help the official arbitrator, where necessary, as assessors. 48,175.

While desiring some form of compulsory arbitration as to rents, objection was taken to a land court; the objection being partly to the name, partly because they disliked public examination as to their rent in court. "I think it is the name of the thing, and perhaps the functions of this arbitrator may be just the land court over again." 48,176.

In his report on the North Riding and Durham, Mr. Pringle states that "farmers insist that rents must be greatly reduced. It is the general opinion that to bring about a fair and reasonable reduction some system of arbitration should be set in motion. Anything like compulsory interference between landlord and tenant is objected to, and land courts, although recommended by a few, are not, generally speaking, desired. Tenants prefer to arrange rents, if possible, without the intervention of a third party, but failing a satisfactory agreement, they feel that arbitration should be at hand. To this proposal some landlords make no objection. The owner of a very large estate said: 'Provided that an entirely impartial arbitrator could be found arbitration would not be objectionable to me.' On another large estate arbitration has already been called upon to settle disputes as to rent." 47,693-7.

He adds: "It is to protect the tenant who by good and liberal treatment has made his farm a place to be desired from being rented on his own good management, that arbitration is suggested."

Pringle,
Yorkshire
and Durham,
p. 29.
See also
48,335.

An excellent farmer who pays 36s. an acre, and has been refused a reduction, because the landlord could get the same rent from a new tenant, says the high state of cultivation would enable a new man to make a profit at that rent by running out the farm for five years, when it would be worth perhaps 20s. "Personally, I do not care to get all the good out of the land and then give it up. I should prefer to farm as I have done for years, but at a fair rent. As a general rule, I think a landlord and tenant should make their own bargain, but a land court, or the appointment of Government arbitrators would be a very great boon to the farmer to appeal in special cases such as I have related."

Scotch evidence
as to fixing rents.
Speir, Ayrshire,
&c., p. 11.

245. In Scotland, Mr. Speir gives as the general opinion that agriculture needs a readjustment of rents to prices: "if the rent is wrong, no amount of legislation in other directions will make the farm right." The desire for a land court and judicial rents is very much on the increase."

53,111.
55,256-64.

Mr. Gilchrist and Mr. McConnell would refer the fixing of a fair rent to the arbitrator, to be based on produce and prices.

Hope.

In Aberdeenshire there is a strong demand for judicial rents.

51,731-9.

Mr. Black, Secretary of the Morayshire Farmers' Club, told us that a demand for reductions of rent based on a careful valuation resting on the fairs prices of all produce over a term of years had proved itself sound, and was now carried out on a number of farms.

Muirhead,
30,367.

On Lord Aberdeen's estate a re-valuation was given to tenants who desired it by voluntary arbitration, resulting in a reduction of 23 per cent. on a rental of about 11,000*l*.

30,488.

Farms are re-let on that estate on a valuation based on the quality and fertility of the soil, the state and suitability of the buildings, situation as regards railways, and the demand for land in the neighbourhood.

English
farmers on
this point.
2745.

246. The wish for arbitration as to rent is put strongly by several English farmer witnesses.

2815-6.

3107.

Mr. Kidner thinks that the insecurity of the sitting tenant can only be remedied by the determination of the rent by an independent authority, for some fixed term, probably five years, and revised when "grown out of proportion to the times." A rent would be fair "at which a man with good management would be able to live on the farm and obtain a fair return for his outlay."

3114-6.

Mr. Kidner's main ground is that the tenant's capital is inseparable from the soil, and to encourage its investment it is necessary to restrict the power of the owner from selling the use of the land at the highest obtainable price.

31,390-1.

See also
par. 114 of
this report.
31,394-7.
31,524-5,&c.
31,529-34.

Mr. Wilkinson asks for a court of some kind to deal with compensation cases, the reasonableness of conditions of tenure and "of rent, in exceptional cases," where reasonable reductions are refused. This is essential to enable tenants who have heavy investments of their capital in enriched fertility of the soil, and in valuable stock, to escape being squeezed into unfair terms.

Mr. Wilkinson further contends that English should have as good security as Irish farmers, and that if a distinction is sought to be based on the fact that Irish tenants have put up buildings, it is untenable, because the value of the Irish investments in these improvements is not comparable with the thousands of pounds put into the farm by an English tenant in the shape of cakes and manure and other heavy outlays.

31,535-7.

But Mr. Wilkinson is not in favour of the full application of the Irish Act, with fixity of tenure and dual ownership. His object is to protect the invested capital of the tenant, and to prevent its confiscation in rent.

"I hold that the landlord should not have any improvements or live on my capital any longer. What belongs to the landlord let him sell at the best price, but he has no right to sell what belongs to the tenant."

31,543-8.
31,549.
31,566.

An appeal as to rent should not be made oftener than from five to seven years. Mr. Wilkinson would apparently leave it open to either party to give notice to quit during such an interval with compensation for disturbance, if the circumstances called for it.

31,571.

31,573-4.

And he especially insists on the right of appeal as to rent, where a tenant has been refused a reasonable reduction, the tenant having also in this case the right to compensation for disturbance if no agreement is arrived at, and he has to quit.

36,560.

Mr. Riley, who does not himself desire Irish legislation for England, but states that tenants are making nothing and paying rents largely out of capital, and that the

keen competition for improved farms in high conditions prevents adequate reductions in their rents, quotes several farmers who wish to apply to this state of things an adequate remedy.

Thus a farmer whose farm has been in the family 300 years and is splendidly farmed, can get no sufficient reduction, though his landlord is offering his Irish land at 14 years' purchase to the Irish tenants. 36,461.

Another first class large farmer says: "The only relief is an Irish land law for England. The best landlords need have no fear of it; it would only catch the bad ones who want more than the land is worth. Why should not the industrious, law-respecting English farmers have the same laws for land as the Irish?" 36,462-4.

Mr. Reynolds thinks rents must be brought into a fair proportion to the fall in prices, and that the old tenants will not be able to obtain such "reductions without some authority at the back of them, in the nature of a land court." The term for a judicial rent should be five years; but, like Mr. Wilkinson, he would give the right to the landlord to get rid of his tenant, with full compensation for unjust disturbance. 41,654. 41,657-74.

Both parties would retain their freedom and could not be injured. If the tenant gave it up, not liking the rent fixed, the landlord would be able to let the farm at once, supposing the rent reasonable. The court must be presumed to fix a fair rent. 41,707.

Mr. Nunneley says as to arbitration for rents: "If it could be fairly provided, I think it would be a good thing." The difficulty he sees is that though the law might compel the landlord, it could not compel the tenant to stop if dissatisfied. He thinks that among tenant farmers there would be rather a preponderance in favour of some kind of arbitration. He, himself, is not in favour of fixity of tenure. 56,062. 56,075.

56,332.
56,308.

247. Mr. W. Smith, then M.P. for North Lonsdale, introduced in 1893 a Bill applying with some modifications the provisions of the Irish Land Act, and the Crofters Act to English conditions. A land court is to be constituted of the county court judge, with assessors representative of landowners and of tenant farmers. A fair rent for five years, with power of renewal, fixity of tenure subject to payment of rent and good farming, and free sale of tenant's improvements, with power to the landlord to object to an unsuitable tenant or to resume paying the agreed sum, and fixing of reasonable conditions of tenure, are the essential points of the Bill. The court can also give the tenant permission to carry out permanent improvements or assign an increased rent to the landlord as interest on his outlay on improvements. The Bill is compulsory and would practically exclude every other form of tenancy. The Bill is also meant to exclude competition values. An outgoing farmer, in selling his good will, would not be out of pocket the whole difference between the fair rent and the top competition price, because the amount passing between the parties would be determined by the court. The three F's policy. Land Tenure (England) Bill, Vol. I. Appendix. 9465, &c. 9518, &c. 9437, &c. 9435. 9448. 10,260, &c. 9449, &c. 9455. 9524. 9599-9603.

The Bill is really the outcome of the Lancashire and Cheshire movement, and reflects the impressions Lancashire farmers formed of their own fate from what they saw in Essex. The Bill has been approved by many agricultural meetings, and its principles supported by about one-third of the delegates at the great conference in St. James's Hall in 1892. Cooke, 22,127. 10,333. 22,131, &c.

Mr. Smith rests his case for these proposals on the steady eating up of tenant's capital by excessive rents, and the absolute insecurity of the improving tenant, both as to his property in his improvements and his retention of his holding. Mr. Smith gave instances of the capricious eviction of tenants, in one case for political motives, in another because the tenant had taken part in the organisation of the movement for a better tenure system. 9961, &c.

"What I think the court is needed for is that the farmers should know that there was in case of need an impartial authority to which they might appeal to redress their wrongs." 10,018. 10,047.

Security would rapidly develop agriculture, and if it had been granted before "the depression would not have been so acute."

"I am quite certain that there is not one acre in a hundred in this country which is farmed up to the degree that it might be farmed." 9579.

Mr. Smith does not wish the tenant to transfer an ever-increasing burden in the form of a tenant right as in Ulster; if necessary he would shorten the judicial period to prevent this. 10,141.

As to free sale, Mr. Smith admitted that it might fail as a measure in times of rapid fall of prices, and therefore he left the Agricultural Holdings Act for the tenant, in that emergency, to fall back upon. 10,346-8.

He was strongly of opinion that the provisions of his Bill were essential, and that full compensation for improvements, coupled with compensation for disturbance, would

not really cover the present insecurity of the tenant, but he felt that there was a reluctance on the part of many tenants to accept fixity of tenure, and himself wished a shorter term than five years for a judicial rent to run.

12,608, &c. Mr. Worthington, a thorough supporter of these views, thinks that fixity of tenure would not deter a landlord from making improvements, and that the three F's are the only cure for the insecurity of the improving farmer, to whom no reduction is allowed. 12,627. Farming will improve if the tenants' property is made absolutely his by the power of free sale. 12,630. Where improvements had to be valued, they should be valued by the land court and a record of condition at entry would be kept at the court from which to calculate improved condition. 12,794, &c.

12,824. If there were a land court, landlords would come to terms with their tenants, and there would be few or no appeals.

The landlord will be able to get rid of a bad tenant at any time by application to the court. Otherwise these proposals give, by the power of renewal and bequest, a perpetual tenancy.

In the Scotch evidence we had to note a protest by several witnesses against fixity of tenure on the ground that it led to a monopoly.

Many land reformers will feel doubt as to the wisdom of a practically perpetual tenure being given to individual tenants and their legatees. While there is a strong desire to give full protection to the rights and interests of those who till the soil, it may reasonably be held to be inconsistent with the general interest of the nation to create what are virtually fresh monopolies.

22,029. Mr. Cooke, representing the Federation of Farmers' clubs in Cheshire, warmly 22,043. approved of Mr. Smith's Bill being carried out to encourage high farming by absolute security, stop capricious evictions for political or sectarian reasons, or because of game preserving, and to set aside unfair and restrictive covenants and penal rents, which still 22,047, &c. abound and are used illegally to coerce tenants out of their statutory rights. The 22,053, &c. landlord will be bound, but the tenant may quit, and his improvements would in that 22,069. case be valued to him by the court. 22,083, &c. 22,098, &c.

Other evidence
in favour of
this policy.
12,033, 12,034-9.

248. Dr. Fream mentions a strong wish for a land court in parts of Kent and Hampshire.

14,777. Mr. Bomford approves of conciliation courts to settle disputes as to rent, and "thinks the very fact of their being a court of that sort would make the landlord and tenants practically agree to some compromise, and to settle their own affairs."

Spencer, Mr. Spencer quotes an Oxfordshire farmer who was refused a reasonable reduction Oxfordshire, and said: "What we want is a land court to deal with the rent. If I could get my &c., p. 40. rent reduced, I would say nothing about the depression. *Many farmers would like a land court, but are afraid to say so.*"

With regard to the objection that arbitration would be unequal, as it would bind the landlord while leaving the tenant free to leave if dissatisfied, attention should be directed to the excellent results of Lord Tollemache's leases in Cheshire. This lease is for 19 years and binding on the landlord, while allowing the tenant, if times go wrong with him, to leave at a year's notice. The result on that estate has been contentment and splendid cultivation, and a readiness to pay somewhat higher rents than elsewhere. 22,036, &c. 22,235, &c.

22,235. Mr. Cooke states that what is wanted in the proposals of the Bill is to secure pretty much the legalising of a lease like Lord Tollemache's.

27,578-9. Mr. Bear, who in 1881, 1882, and 1883 took a leading part in promoting the proposals of the Farmers' Alliance, is of opinion that compensation by valuation always has been, and must be, a failure, and that free sale is the only satisfactory measure of the value of improvements. Fixity of tenure and fair rents are only desirable to facilitate bargaining. The Farmers' Alliance proposed a term of seven years, during which the rent could not be altered. The landlord would have the right of pre-emption at the market price. This price would *ex hypothesi* be the highest offer of an outsider. And the offer of the outsider must clearly be based on some kind of valuation. The first Bill of the Alliance, giving free sale alone as the procedure, was discarded in favour of a second Bill giving the alternative of procedure by valuation. 27,768.

Mr. Bear states that the free sale proposals were not generally acceptable to the majority of farmers.

25,421-2. Professor Long supports the "three F's" proposals in their entirety, holding that the invested capital of the tenant cannot be properly secured without fixity of tenure at a fair rent. Compensation under the Act is, he contends, a mere farce. "If the most is to be got from the land, and a satisfied and prosperous tenantry upon it, you must give them a very distinct interest in the soil, and induce them in every way to put their money and labour into it. Fixity of tenure exists to-day in the case of many good 25,858. 25,745-6. 25,747.

landlords, and I would not wish for more than they give; but it is the majority who are bad, or rather who do not do their duty to their tenants, whom I should like a law passed to control." *See 25,826.*

He thinks that fixity of tenure, by encouraging larger investment, will make it necessary to give freedom of sale. If land courts were adopted, agreements as to rents would probably be registered in the court, so that no revision could take place after the contract began till a reasonable period. Existing leases would have to be set aside if the five years' system were adopted. *25,796. 25,917-8.*

Professor Sheldon, like Mr. Bear, is an advocate of free sale; fixity of tenure and fair rents are hardly, in his opinion, required if tenants had security to obtain the full value of their improvements when they left, and this they can best have by free sale. He would limit free sale to improvements only. *21,784, &c. 21,590.*

He admits that there are difficulties in this proposal, both as regards reserving to landlords their right of pre-emption and choice of a new tenant, and as regards the detachment of the increase of value of land due to improvements and to other causes.

249. Free sale of improvements is obviously open to several objections. In the first place it will not work in bad times, and throws you back on a system of valuation. Without valuation, an outgoing tenant, when things are at their worst, would get nothing and would be ruined. In the second place, you have to guarantee the purchaser that he shall have the same rent as the seller, or at any rate that he shall know beforehand at what rent he shall enjoy the holding. But if the transfer is made during the course of a five years' term, unless there is at the same time a reference to the court to fix a judicial rent for another five years, the new tenant cannot be sure at what rent he will sit, and under Mr. Smith's Bill and similar Bills he must necessarily wait till the end of the term to know exactly how the court will decide. In the meantime some sudden change of prices, or the condition of agriculture, may materially alter the decision anticipated by the purchaser at the time he enters into his bargain. The whole transaction is therefore speculative, and does not rest, as an improved system of valuation would rest, on an exact appraisement at the moment of the remaining value of the improvements of the outgoing tenant. *Some objections discussed.*

As to fixity of tenure, much evidence was given that farmers generally have too little confidence to care to be tied down, for even as short a period as five years, to pay a stipulated rent without power of escape. It will have been noted that the supporters of Mr. Smith's Bill and similar proposals are anxious to reserve to the tenant the right of withdrawal, while binding the landlord. And the general indisposition to take leases have been marked all over the country. Even on the generously managed estates of the Duke of Richmond, with all the advantages of practical freedom of cultivation, and the division of the rates, leases are declined and yearly tenancies asked for. Leases have been abandoned on the Holkham and other estates. And after producing admirable results in high continuous farming in Northumberland, they are lapsing now. *T. Stratton, 6898. Duke of Richmond.*

In Scotland the same tendency has been shown in the demand for five-year breaks at option of tenant in the 19 years' leases. Though there has been some reaction in some counties in favour of the longer unbroken tenancy, Mr. Speir himself would "prefer to be clear of a lease altogether, and to have full compensation for any added value," and other witnesses are of the same opinion. *Rew, Norfolk. Wilson Fox, Glendale. Speir, Ayrshire, p. 21. Hope, Roxburgh, &c., p. 19. Speir, Ayrshire, p. 21. 47,035.*

While noting these difficulties in the working, and as to the acceptability to farmers of proposals to introduce the "three F's," it must be admitted that these difficulties may reasonably be viewed as partial, and in some sense temporary. The evidence as to agriculturists who put large amounts of money into agriculture, like the fruit-growers in Worcestershire and elsewhere, and the hop-growers in Kent, establishes incontestably the fact that the more money is thus put in, the less possible it is to contest the fairness of the demand of men, who have so much invested, to the right to some mode of free sale, and of fixity of tenure, and to some machinery for preventing the frustration of their demand by unfairly enhanced rents. These are plain undeniable economic facts which will, in my opinion, have to be dealt with ultimately, even though our present problems seem to be of a more restricted character, and the proposals of Mr. Smith and others do not command general assent.

250. In reviewing the evidence given before the Commission and collected by the Assistant Commissioners, it is obvious that the preponderance of opinion expressed is against the proposal of a land court so called.

Mr. Middleton says:—"The feeling against any tribunal for fixing rents has been most emphatic. I am opposed to any outsider fixing the prices of any article."

Mr. James Stratton and Mr. Johnson (Ixworth) take much the same view.

Evidence of opinions unfavourable to these proposals. 2280. 2606. 6885-91. 7821-4.

14,156-7. Mr. Kay thinks it unfair to compel a landlord to take a certain rent, when he himself can go to market and take the market price or keep his cows. "The landlord ought to be able to do the same with his land. I fail to see that I ought to deprive the landlord of the liberty which I, as a tenant farmer, demand for myself."

14,158. The true method, in his opinion, is to make the landlord pay fully for any misuse of his freedom which injures others.

17,459.
16,112.
31,403.
26,323.
25,111.
26,030.
See also
Ferguson, 22,963.
Hutchison,
24,467.
30,066.
30,067.
Lander, 33,376-8.
R. Stratton,
35,083.
Treadwell,
39,795, &c.
Biddell, 39,416.
Pears, 36,350.
Finney, 33,415.

Mr. Rowlandson, Mr. C. S. Read, Mr. Dewar, Mr. Bell, Mr. Edwards, Mr. Parton, and others all prefer that bargains should be made between the parties, without any interference by an outside authority to settle the terms.

Mr. Scott explained that in his scheme for official arbitrators, "their powers were not to extend in any way or form to the question of the regulation of rents between owner and occupier."

"That," he says, "is the general opinion of intelligent farmers all over the country."

A number of the English witnesses are opposed to the fixing of rents by judicial authority, including several who advocate very advanced proposals regarding compensation and security of tenure. Most of these witnesses express their objections in the form of dissent from the idea of a legal tribunal before whom the relations of landlord and tenant are supposed to come in the form of a trial in court, while others base their objection on the desire to preserve freedom to make their own bargains.

Wilson Fox,
Lincoln,
p. 20.

Mr. Wilson Fox has collected a variety of opinions in Lincolnshire in these directions. Thus: "Several farmers stated that they would sooner give up farming than go before any tribunal to settle questions between them and their landlords."

p. 21.

"Land courts are not wanted to deal with rent, but they might deal with the interest we pay on mortgages."

"We are dead against a land court. If we cannot look after our own interests we do not want any one else to do it for us."

"There is not a single party in this room who would like anyone in the room to assist him and his landlord in fixing a fair rent, though we are all friends. Much less should we like an outsider called in. We can, and we prefer to, fight our own battles."

Wilson Fox,
Garstang,
Appendix P.

A Lancashire farmer who is a strong Protectionist, says: "If we are to have a land court, we are all fools in a lump, if we cannot make a bargain."

More closely-reasoned objections are offered by several witnesses, who think that if the system of fixity of tenure and judicial rents were established, there would be not the same disposition, and probably a refusal, to give temporary abatements of rent in some exceptionally bad season. Others also attach much importance to the contention that, when the owner becomes a mere rent-charger, he will no longer care to invest his capital in permanent improvements and repairs.

Further considerations to which weight must be attached are made as to the difficulty of working any such system.

53,947.

Thus, Mr. Fyshe, a Scotch witness of much ability, says: "When you find one farm let at 200*l.* of a size, and another going to be let at 40*s.* an acre, and an offer comes in for 50*s.* an acre, in one week, it is difficult to find a remedy, unless this [land] court is directed to take possession of the liberty of the subject, and allow valuers to say, 'Well, Mr. Landlord, there is the value of your land. You can take what tenant you like.'"

At the same time, it must be remembered that Mr. Fyshe considers "high rents" the first cause of agricultural depression, and this intense competition is as unwise as it is ruinous. And he, and many other witnesses, who appear to doubt the practicability of fixing fair rents and compelling both parties to agree upon terms which will alone make the working of a farm an economic success, make the very strongest recommendations as regards the securing of tenants from being rented on their own improvements.

With regard to the contention often advanced that judicial rents would, in England, be unjust to the landlords, and would not have the same justification as in Ireland, because in Ireland permanent improvements have been carried out by the tenants, while in England they have been carried out by the landlords, I consider this contention, for reasons fully stated in paragraphs 155 to 169, to be a fallacy, which should be discarded in the settlement of this question.

As Mr. Wilkinson has pointed out, the English farmer has often a larger money stake invested in his holding than the Irish farmer; and it is matter of demonstration that for all intents and purposes the so-called landlord's improvements in England have been substantially paid for by the tenant, and therefore the supposed distinction does not, as a matter of fact, exist.

251. On careful consideration of all the evidence as to the dissent of practical farmers from any procedure for determining fair rents, I am convinced that part of this alleged repugnance is due to very natural disinclination on the part of tenants to others knowing the state of their affairs, and to the equally natural fear that the intervention of an official between them and the landlord or agent may suspend friendly relations. It is also obvious from the mass of evidence we have considered as to the present unfortunate position of most farmers, that they must be disinclined to face the risk of supporting any proposals which they know are cordially disliked by those in whose power the present state of the law places their whole investments in the soil, and their business future to so large an extent.

Large numbers of farmers also who may not be so much embarrassed or influenced by these motives, probably rely more on their own judgment in making a bargain than they would on an official decision; the same motive is seen operating in the failure of the legislation to promote selling of cattle by live weight.

Much more importance should be attached to the dread of most tenants of being bound to pay a rent which may be fair when fixed, but may become impossible to pay owing to sudden falls in prices of special products, or to disastrous seasons, and to the undoubted probability that landlords would not, after a fair rent was fixed, be inclined to give remissions also.

No doubt many grave difficulties will have to be encountered and overcome in introducing any changes, however ultimately beneficial, in the present system of tenure in England.

But assigning all the weight which is due to the reluctance of many tenants, and to other drawbacks and difficulties, I feel bound to state that, in my opinion, the objections made to interference with rents do not appear to me to have anything like the force or weight which should undoubtedly attach to two central and indisputable facts which our inquiry has established.

The first is the universal demand of the best type of farmer, the man who throws his money and his whole ability and energy into the improvement of the land, for absolute security. This demand is put with clearness by Mr. Pringle in one of his reports.

"The desire of the farmers is for better security in the form of continued occupation at fair rents, no charge being put upon their own improvements."

I consider that the necessity for meeting this demand has been amply proved.

The second is that the rents which have been charged during the period of depression have been and still are economically impossible over the greater part of the country, and have been and can only be paid by the steady depletion of tenants' capital and the consequent progressive deterioration of the soil.

Reductions of rent, except in a few cases, have been wholly insufficient, and the evidence has been nearly uniform that competition is tending to [make] rack-renting, relatively to prices and returns, more oppressive, to penalise the enterprising and improving farmer more heavily, and to render his position more hopeless and intolerable. The economic waste resulting from this state of things is a matter of national concern.

While, therefore, having noted several serious objections to proposals like those of Mr. Smith's Bill, I feel convinced that it is my duty to recommend some simple and adequate means for facilitating the reduction of rents generally to a fair economic level.

252. Assuming that official arbitrators, with the powers and qualifications I have suggested, have been appointed, it is natural to suppose that the determination of the letting value of a farm when in dispute between landlord and tenant would be not infrequently referred to the arbitrator by consent of both parties. As he will have to decide, in the case of a sitting tenant, the proportionate reduction of rent which is necessary to exclude the tenant's improvements from the new rent, and, in the case of a tenant who is obliged to leave owing to the refusal of a reasonable reduction of rent, the amount of loss sustained by the tenant, it is plain that this official in the discharge of these duties, must not only form but frequently express an opinion as to the relations of the total rent to the real productive value of the farm as an agricultural instrument.

How far arbitration as to rents is now possible.

If, as is generally anticipated by those who advocate their appointment, these officials acquire the confidence of both parties, I think it eminently probable that in the re-valuation of farms or estates their experienced judgment will be thought helpful in voluntary arrangements. The fact that they will draw up the record of condition of farms at the beginning of tenancies, and that the decision of any ultimate questions which may arise will rest in their hands must inevitably make it advisable, in the interests of both parties, to refer to them voluntarily any arrangements as to rents in which there is a difference of opinion as to the real value of a holding.

Mr. Pennant's evidence.
57,421.

253. The remarkable evidence given by Mr. Pennant puts the whole matter in its natural, and practical, and workable light :—

- “ You want people who will give confidence to both landlord and tenant. I think [official arbitrators] appointed by the Board of Agriculture, who would be really good men, would be very valuable, because where there was a difference between landlord and tenant the parties would voluntarily refer the matter to these men instead of having any litigation.”
- 57,436. “ The great point is their knowledge and their independence, so that persons will have confidence in their decision.”
- 57,437. “ They would become experts, and I think people would be only too glad to refer the matter to them.”
- 57,439. “ The sitting tenant would get what he wanted without any unpleasantness with his landlord.”
- 57,440. “ Any matter that [the parties] chose would be referred to a competent individual. I will take the case of myself. I had spent a considerable amount of capital on a farm, and improved it very much ; I thought in consequence of that that the rent ought to be so much ; in fact, we agreed that it should be, but when the improvements were done the tenant thought the rent was too much ; we agreed to refer that to a person in whom we both had thorough confidence, and he decided for us, and I acted upon his decision. I and the tenant were fortunate enough to find such an individual. I want to create individuals of that character—it can best be done by the Board of Agriculture—and then I am sure that landlords and tenants like myself and my tenant would make use of them in the future with very great advantage.”
- 57,471. “ I think they would employ these arbitrators whenever there was a difficulty, and *you would have practically no litigation.*”
- 57,476. In any matter arising out of [the Agricultural Holdings Act, “ when it comes to litigation, these arbitrators and these alone must be employed.”

When so simple and rational an expedient for attaining, and from time to time amicably readjusting on equitable lines, the rights and claims of the two parties to an agricultural tenancy is contrasted with the injustice—none the less bad because it is generally unconscious—which in so many cases has been shown, in our evidence, to impose on tenants the heaviest share of economic loss, and to transfer, by a process none the less iniquitous because it is strictly legal, the investments of the tenant to the pockets of the landlord, I venture to think that most impartial men would, on full consideration, heartily welcome machinery which put friendly and effective arbitration such as Mr. Pennant suggests within the reach of all.

Not essentially opposed to the frequent practice on many estates.

254. Under present conditions, when estates are re-valued, there is a general practice of calling in expert aid from without. Sometimes, as on the Haddo estate, the re-valuation is actually carried out by valuers on either side, with an oversman, exactly like a reference under the Act.

In other cases men of wide agricultural experience and recognised impartiality, like Mr. Rowlandson, are employed—probably with the satisfaction and confidence of both sides—to re-value estates.

17,575.

Mr. Rowlandson, asked whether tenants in his district have been able to get a reduction where it is fair and right to have it, replies : “ It has been very often left to valuation, and I have valued thousands and thousands of acres for reductions of rent. Sometimes I have acted for both ; sometimes for the tenant and sometimes for the landlord.”

If the official arbitrator were employed for a similar purpose, we cannot see that any grievance could arise, and the decisions would be of still higher authority than those of unofficial valuers.

And there is clearly a willingness on the part of some landlords to get this matter of rent settled on fair and workable lines which satisfy both sides.

Lincoln,
p. 21.

Mr. Wilson Fox mentions the case of a landowner who, with a view to meeting his tenants as far as he could over the rent question, asked each of them to name what they considered a fair rent. “ Though some of the rents named entailed large reductions, they were all accepted by the owner,” who has since granted them abatements also where necessary.

4845-53.

Mr. W. J. Harris, whose estate is in Devonshire, and who recommends the artificial raising of prices by import duties, thinks that the rise in rents, which would naturally follow, ought to be prevented in the interests of the community, and could be prevented by a court of appeal to fix rents. “ The appeal would go before surveyors

who would examine the farm, and see whether the advance in rent was justified or not." "I have no objection to an outside court, if fairly constituted." "I do not think it would have a bad effect upon the relations between landlord and tenant."

255. In this connection I attach great importance to the valuable suggestions of Mr. Gilbert Murray, which seem to us to go to the root of this matter, and which I may quote:— Mr. Gilbert Murray's proposals.

"I should make a valuation of every holding in the kingdom, and fix the rent according to the value of the produce to-day. The first thing I should ascertain would be the productive power of the soil, by going over every field and taking them separately, and estimate the average produce; I should not altogether fix it according to the state of the cultivation at the present time. I should try to arrive at a medium, the farm being in the high state of cultivation, and worth more and would produce more at the present time than an average of produce, I should not take it at that. I would take it at an average or normal rate." 5141.

If made general and compulsory, it would settle the land question for 50 years. 5145-6.

The valuation might be made by valuers to represent either side. 5174.

Mr. Murray combines this suggestion of a general re-valuation on sound economic lines with a proposal for rents on a sliding scale.

While holding, for reasons stated in paragraph 153, that a sliding scale would not be an acceptable solution, I think that his suggestion, the general re-valuation recommended by Mr. Murray, is well worth consideration. Such a re-valuation might be carried out most cheaply either by the proposed official arbitrators alone, or with the aid of a certain number of assistants temporarily appointed to work under them, or again re-valuations agreed upon between the parties might be registered in the offices of the official arbitrators, and, unless challenged by either party before the arbitrator within any given time, be held to have the effect of decisions made by the arbitrator.

256. With regard to arbitration for the settlement of individual cases, I recommend that either party shall have the right to apply to the official arbitrator to have a fair economic, as opposed to a competition, rent fixed, and that the rent thus fixed may, by agreement between the parties, be fixed for any period they agree upon exceeding three years, but that if there is no such agreement for a longer period, the rent fixed by arbitration shall be unchanged for three years. Clause 20 of the Agricultural Holdings Bill, 1897, contains this provision. Conclusion and recommendations.

In view of the existing disinclination to being bound by a fixed rent for a long period, it might be suggested as a fair solution of that difficulty if, on the one hand, the tenant were allowed to give notice to quit, if he thought fit, before the expiry of the three years, but in that case to lose any claim for compensation for disturbance, and if, on the other hand, the landlord were allowed to determine the tenancy also by notice, giving the tenant in that case whatever compensation for disturbance the arbitrator thought just, in addition to the remaining value of his improvements.

If a sound system of valuation, based on the quantities and prices of produce and the real economic value of the farm were insisted on, and the adventitious enhancements created by reckless competition and by the selfish and impolitic reliance on competition in many cases, were rigidly excluded, I have little doubt that the essential mischief of the present condition of affairs would be arrested within a reasonable period, and a stimulus given to vigorous and intelligent development of agriculture such as it has never had before.

257. This is far more than a mere question of justice to the persons concerned. It is a question of national and of supreme national interest. Whether you take the view that so far as we can reasonably look ahead, foreign competition and the development of new areas will keep down prices and make the struggle a desperate one for the home producer, or whether you take the view that population is certain to overtake production so rapidly that increased demand will make it profitable again before many years to cultivate all classes of land with the energy and outlay exhibited 25 years ago, the one imperative condition for minimising loss, or for attaining the highest degree of prosperity, is to get and keep that true equilibrium in farming economics which maintains and develops the resources of the working agriculturist directly employed in his work, and prevents the wasting of those resources and their diversion to other objects. Such a policy alone can secure the highest cultivation of the soil, the maximum production of food, and the widest distribution of employment. Any reasonable or acceptable machinery for such a purpose should be welcomed by the landowner as well as by the tenant farmer. The national importance of such a policy.

CHAPTER XIV.

LEGISLATIVE PROPOSALS.

Legislative proposals to meet these demands.

258. It will be convenient to sum up concisely the proposals that have been laid before Parliament to meet the many points that have been fully discussed in the two preceding chapters.

Omitting earlier proposals and confining this summary to Bills brought in since the beginning of the great depression, it is interesting to note that the first practical suggestion of value came from that veteran agriculturist, Sir Thomas Acland, in an admirably simple Bill in 1881.

Agricultural Tenants' Compensation (No. 2) Bill, 1881.

Sir Thomas Acland's Bill affirmed, for the first time, that the measure of compensation must be the value to the incoming tenant--the principle of the Farmers' Alliance and of the Act of 1883. He proposed that compensation should be assessed by and recovered in the county court, except when the parties agreed to arbitration. Such a Bill would have obviously created cheaper and more effective machinery than the complicated Act of 1883.

Mr. James Howard's Land Tenure Bill, 1882.

The Farmers' Alliance Bill of 1882, to which Mr. Bear alluded in his evidence, proposed to create a county committee representing owners and occupiers, from which assessors should be chosen for the county court. The Bill gave a choice between free sale of improvements by the outgoing tenant and a reference to the county court with these assessors.

Land Tenure Bill, 1883.

In a subsequent Bill, introduced by Mr. Howard in 1883, provision was made for the fixing of fair rents by the court, constituted as in the Bill of 1882, and the term for which they were to run was fixed at seven years.

Land Tenure (Scotland) Bill.

Mr. J. W. Barclay, late Member for Forfarshire, and Dr. Robert Farquharson, M.P. for West Aberdeenshire, introduced for Scotland, for several successive years, a more carefully considered Bill, applying the principle of the "three F's" to Scotland.

Land Law (Wales) Bill.

The same proposals have been, with modifications, brought forward in the Bills successively introduced for Wales by Mr. J. Bryn Roberts, M.P., Mr. T. E. Ellis, M.P., and Mr. Vaughan Davies, M.P.

Land Tenure (England) Bill, 1893.

The Bill on these lines, introduced by Mr. William Smith, then M.P. for North Lonsdale, has already been fully discussed, and is printed in Appendix A., xxvi., vol. I.

Mr. Channing's Agricultural Holdings Bills, 1887-1895.

Agricultural Holdings Bill, 1887.

259. Bills to amend the Agricultural Holdings Act, 1883, have been introduced by myself and other members annually from 1887 onwards.

The first of these Bills had for its main object to enact the proposal of Sir James Caird to protect the interests of the sitting tenant, the proposal of the Scottish Chamber of Agriculture to put all first-class improvements on the footing of drainage, and enable tenants to obtain or make them on giving notice, freedom of cultivation and sale of produce, and, among other minor proposals, gave a right to revision of rents where prices had fallen since the contract was entered into.

Agricultural Holdings Bills, 1888, 1889, 1890.

In subsequent Bills proposals were added to protect the rights of tenants of mortgaged holdings (a proposal afterwards enacted in the Tenants' Compensation Act, 1890), to give compensation for continuous good farming, and to substitute a system of officially appointed valuers or arbitrators for the present valuers, and to have cases of agricultural compensation settled by a single arbitrator.

In the Bill of 1891 I first attempted to consolidate the whole of the existing Acts relating to agricultural holdings, and in the Bills of 1892, 1893, and 1894 this process was further carried out, with numerous minor changes, suggested partly by resolutions passed by the Chambers of Agriculture and other agricultural organisations, partly as the result of the inquiry initiated in 1891 and 1892 by the proprietors of the "Mark Lane Express."

The Bill of 1894, the most complete of this series, was, as regards the schedules, largely based on the decisions of the Committee of the Central Chamber of Agriculture appointed in that year to report on the necessary amendments to the Agricultural Holdings Act. Improvements were divided into (1) those for which either consent of the landlord, or the favourable decision of a referee under the Act was necessary,* (2) those in respect of which notice only is required, which head included besides "drainage" the various improvements transferred to Part II. by the Committee, among them the "laying down of permanent pasture."

* This proposal was originally adopted by the Committee, and only struck out of their report by a narrow vote on the final revision.

This Bill also added clauses giving compensation for disturbance, in pursuance of a decision of the Central Chamber Committee,* and abolishing the law of distress for rent in agricultural holdings.

In 1895 the Agricultural Holdings Bill was modified further by a clause providing for a scheduled record of condition at entry and quitting of farms, and by restricting the schedule to a small group of permanent improvements as to which consent or reference would be required, and leaving drainage by itself in Part II. This change was made to meet the views of a number of important witnesses before this Commission, including Mr. Druce and Mr. Carrington Smith.

260. Mr. George Lambert, in 1895, having secured a day in the ballot, introduced a Bill to amend the existing Act, which was based on and included, with slight modifications, most of the amending clauses of my Agricultural Holdings Bill, 1894, and the schedules to that Bill. Special provisions were inserted by Mr. Lambert to give tenants compensation for damage by game, and compensation for disturbance not only for capricious and unjust eviction, but also in the case of a "landlord refusing without good and sufficient cause to grant a renewal of a tenancy, or requiring a higher rent or more onerous conditions as terms of such renewal."

Mr. Lambert's Land Tenure Bill, 1895.

The second reading of this Bill was carried on May 15th, 1895, by 218 to 189, but, owing to the dissolution, the Committee stage of the Bill was not reached.

At the meeting of the Central and Associated Chambers on May 28th, a resolution in support of the Bill was carried without dissent, after an amendment restricting approval rigidly to those points which were covered by the report of the Committee of the Central Chamber had been rejected on a division.

261. In 1896, Mr. Robert Price introduced a Bill combining most of the proposals of the Agricultural Holdings Bill, 1894, with the scheme, which has since been very fully laid before Parliament in the Welsh Land Commission Report, to appoint agricultural registrars or assessors to the county courts, and making the county court, through this additional "agricultural county court judge" the instrument for arbitrating on all questions of dispute between landlord and tenant, including rent. The term fixed as the period for a judicial rent to run was three years.

Mr. Price's Land Tenure and Revision of Rent Bill, 1896.

262. The Agricultural Holdings Bill, 1897, which contains in the form of legislative proposals the recommendations made in this Report, is printed in Appendix II. to this Report.

Mr. Channing's Agricultural Holdings Bill, 1897.

It will be seen that Mr. Price's suggestion, in a modified and simpler form, is adopted in clauses 25, 20, &c., of the Bill, while the principles of the Market Gardeners' Compensation Act, 1895, are applied to all holdings. The procedure is further simplified by omitting the "notices" of claims altogether, and complete freedom to make improvements is given, subject to giving notice in the case of some permanent improvements.

CHAPTER XIV.

RAILWAY RATES.

263. While several witnesses have expressed the opinion that railway rates have not been a cause of depression, are not seriously complained of, and are not in fact excessive, and other witnesses have expressed their opinion that it is impracticable or might lead to worse mischief to completely alter the principles on which traffic is managed, the bulk of the evidence given and collected by the Assistant Commissioners is to the effect that agriculture has been seriously prejudiced by excessive or preferential railway rates.

Character of evidence.
 Looker, 41,303.
 Cocks, 2013.
 Bomford, 14,729.
 Ralston, 24,898.
 Lopes, 17,132.
 Pelli, 17,736.
 Forster, 32,382.
 Johnson, 7798.

The Central and Associated Chambers of Agriculture have placed this question second in their "Statement" of matters which demand the prompt attention of Parliament, and immediately after the question of local taxation, which was made the subject of our Second Report.

The Shropshire Joint Committee of the County Council and Chamber of Agriculture puts "the lowering of railway rates and charges" third in their list of remedies, and report practically unanimous complaints of excessive rates and undue preferences both at home and as regards foreign produce.

Vol. III., App. A1.

Mr. Pringle states the general feeling to be that the railways ought to take their fair share of the depression, and that railway shareholders are receiving 3 to 5 per cent., while farmers are getting nothing on their capital.

48,020.

* This proposal was also struck out at the final revision of the report.

26,315.

Mr. Bell, a Scotch witness, urges that, while the effort now is to bring producer and consumer together, the policy of the railways has been to throw everything into the hands of the middlemen by the heavier charges on small traffic.

Nature of complaints.
Rankin, 5704.
Wyatt, 10,938.
Fisher, 58,484,
58,586.
Dutfield, 58,738.
30,081.
Cf. Wilson Fox, 9193.
Dobson, 13,224.
Wilkinson, 81,354.
Johnson, 7727.
Adams, 41,084.
J. Stratton, 6795.
W. Smith, 9400.
Pringle, South Durham, &c., p. 27.
Pringle, 48,817.
Broughton, 15,402.
Collins, 37,246
Speir, Ayrshire, &c., p. 17.
See Hope, Roxburgh, &c., p. 30.

264. It has been strongly represented that recent legislation instead of decreasing has increased the pressure of railway rates on agriculture.

Mr. H. H. Scott says: "The railway companies have accentuated the depression by raising rates." "The companies seem to ignore the principle that such high rates of carriage strangle trade."

Mr. William Smith, late M.P., points out that mischief has resulted from home rates having remained at the same level, while foreign freights have been steadily falling. Thus Californian freights have fallen from 80s. to as low as 17s. 6d. or 20s. per ton, but railway rates from Lincolnshire remain practically the same. The result is that it is impossible for millers to use Lincolnshire wheats to mix with foreign wheats.

Excessive short-distance rates are very generally complained of, and recent legislation has made them even worse than before. The absence of competition is the usual pretext.

In the south-west of Scotland Mr. Speir states that the inequalities are so great that farmers are often compelled to cart to more distant stations to avoid the higher rates. He adds: "Consignments, as a rule, to and from farms are small, and seldom over very long distances, but the rates under 2 tons are excessive and handicap farmers very much."

Complaints from fruit and vegetable growers.
See A. Spencer, Oxfordshire, &c., pp. 18, 38.
37,541.
44,383.
44,393.
44,566.

Rew,
Salisbury
Plain, p. 38.

265. Very serious complaints have reached us from districts where fruit and vegetables are the staple products.

Mr. Olver said that the heavy rates on early potatoes and other vegetables and flowers seriously restrict the growth of these crops.

Mr. Woodward, speaking of the vale of Evesham stated that "the railway rates are a great drawback. Our heaviest item is the carriage of the produce to the consumer." The companies have declined, he states, to take fruit at reduced rates in lots of 2 to 3 cwt.

Mr. Rew illustrates the excessive rates imposed on non-competitive traffic.

"Apples and old potatoes are charged 8s. 9d. in 2-ton lots from Salisbury to London, while from Dinton and Tisbury, only a short distance farther, the rates are 18s. 9d. for apples and 17s. 4d. for potatoes per ton, and in 2-ton lots 10s. 6d. per ton."

In the case of another rate quoted by Mr. Rew of 17s. 4d. per ton for new potatoes, in any quantity between April 1st and June 30th, it is clear that the railway company is insisting on having a share in the higher profits of a "season" traffic in addition to a fair return for the cost of the service.

Wilson Fox,
Lincoln,
p. 109.

Mr. Wilson Fox gives several railway accounts of vegetable growers in Lincolnshire. The accounts show that generally about two thirds of the value are taken up by railway charges and salesman's commission, and that the share absorbed by the railway was 15s. 5d. out of 31s. 6d., 16s. out of 40s. 6d., 48s. 1d. out of 92s.

The charges for potatoes from Spalding to Leeds in 1893 are quoted at 5l. 17s. 8d. for a lot of 4 tons 6 cwt., 4l. 1s. 11d. for 3 tons 3 cwt., and 3l. 18s. 6d. for 3 tons 2 cwt. At the then prices of potatoes this was an enormous share in the gross value to be taken by the railways.

The small men in the fen districts of Suffolk, Norfolk vegetable growers, Gloucestershire fruit growers, complain that railway rates "swamp their profits" if not cause actual loss.

Wilson Fox,
Suffolk, p. 81.
Rew, Norfolk,
p. 71.
Spencer, Oxfordshire, p. 38.
Complaints from dairy farmers.
See Goldney, 15,888.

6467.

6499.

6501.

Speir, Ayrshire,
p. 36.
22,250.

Sparkes, 24,956.

41,974-5.

See also
Rew,
Norfolk,
p. 71.

41,653.

266. In the case of a perishable article such as milk there are general complaints of the high ratio of the railway charges to the value of the produce carried.

Mr. Stratton says: "It is monstrous that the railway company should take an eighth of the gross value of my milk for carrying it 60 miles." If conveyance by passenger train is alleged as a reason, Mr. Stratton replies that without "passenger service" the milk traffic would not extend beyond 30 miles from London.

In Ayrshire dairy farmers are paying as much as one third of their rent for carriage of milk alone. Mr. Cooke, a Cheshire farmer, complains that the rate on milk is 13 per cent., and on skim milk 33 per cent. of its value.

In Leicestershire the railways have substantially gone back to the 1892 rates, but would have raised them 50 per cent. but for the agitation.

Mr. Adams, a Berkshire farmer, says the produce of one cow out of seven has to go to pay the Great Western Railway. And "farmers have to agree not to hold the company responsible for milk spilled, or not delivered," and have now to pay on "empties" which formerly came back free.

Mr. Reynolds says the milk trade is crippled by these conditions.

Mr. Carrington Smith shows that rates have been indirectly increased by $6\frac{1}{4}$ per cent., by charging on the imperial instead of the barn gallon.

Mr. Spencer: "The milk rate from Wootton Bassett to Paddington has been increased by 1d. to $1\frac{1}{8}$ d. per gallon. On the amount sent from that station alone this would mean an increased cost per annum of 319l. 7s. 8d. falling on the senders."

Spencer,
Oxfordshire,
p. 38.

On such figures as these it may well be considered whether such an increase in the gross revenue of a company from one out of many rural stations does not greatly exceed any increase in cost of services which can be alleged as a reason, and whether this is not an instance of an attempt to recoup the company out of a traffic specially at the mercy of railways for reductions enforced on other classes of traffic.

267. Many complaints are made that railway rates are in some cases "practically prohibitive," and destructive of traffic.

Prohibitive and
restrictive scales
of rates.
Spencer,
Oxfordshire,
p. 37.

In Norfolk farmers say they are debarred from selling hay and roots by heavy rates to good markets. An offer for hay had to be refused because the lowest rate to Wickham Market was 1l. per ton.

Rew,
Norfolk,
p. 71.

Mr. Dewar, a successful Scotch settler in Norfolk, points out that it would be a great advantage to be able to sell off straw and bring back town manure at low rates. If the rate for town manure in his district was reduced from its present amount (7s. 6d.) to 3s. 6d., a large quantity would be taken.

Farmers in Lincolnshire were compelled to send cattle by road at 1s. a head into Leicestershire because the rate was 3s. to 4s.

Wilson Fox,
p. 109.

From Forfarshire to Worcestershire a bull cost 6l. 15s. (while it would only cost 4l. 4s. to bring one all the way from Canada), and a loose box for sporting dogs only cost 5l.

Reynolds,
41,638, &c.

In Lancashire the rates on manure brought from towns were so high as to prevent its free use. The railway charges quoted were double or three times the price of the manure.

Wilson Fox,
Garstang,
p. 27.

268. The prohibitive character of some rates was intensified where there was no competing route. Districts which most need cheap access to markets were placed at a great disadvantage as compared with coast towns.

Inequalities
of rates.

Mr. Pringle reports a general feeling in the South Midlands that the railways were using their powers unduly to extort from farmers rates excessive in themselves and wholly disproportioned between long and short distances.

Rew, Dorset,
p. 36.
Rew, North
Devon, p. 32.
Speir, Ayrshire,
p. 17.

The rates on corn from Cardiff to Birmingham, 110 miles, are 8s. 4d. a ton, while from Cambridge, the same distance, the rate is 12s. 6d.; and from Isham, 60 miles, the rate is 8s. 4d., the same as from Cardiff.

Pringle,
Beds, &c.,
p. 69.

The rates on beasts and sheep, which were raised 22 years ago, were raised in 1892 very largely by the new truck rate. Thus, before 1872, the rate per beast from Welton to London was 3s. 9d., was raised then to 4s. 9d., and in 1892 to 7s. $1\frac{1}{2}$ d. "Now we have to run by truck rate, and if we have an odd three after filling our waggons we have to pay extra. Load the waggons ever so tightly, it costs us 1s. over the old rate per bullock."

In the poultry fattening districts of Sussex, Mr. Rew found some complaint of the heavy rates on fowls brought from Ireland for fattening. The increases made in 1893 had been lowered three months after, but no return had been made of the overcharges. Mr. Rew adds: "Probably this was the case in many instances, and the railway companies, therefore, made a considerable profit by the action which was on their behalf admitted to have been a 'mistake,' and was condemned by the Select Committee."

Rew,
Heathfield,
p. 16.

The same complaint comes from the dairy industry in Derbyshire, where cash or monthly prepayment had been insisted on, so that the overcharges in 1893 were practically irrecoverable.

Finney and
Osborne,
35,597.

269. The strongest feeling has been expressed by many witnesses that the competition of foreign produce has been unfairly intensified by the policy of the companies in giving preferential rates to imported articles to such an extent as to substantially operate as a form of protection to foreign products; and in making the increases made in 1893 they were applied only to home traffic, thus aggravating the evil.

Preferential
rates on
foreign produce.
Middleton,
2388, &c.
Ralston, 24,808.
Fyshe, 53,901-13.
Stuart, 51,000,
2356, 2612.

The natural market for corn from the South Midlands is in Birmingham and the Black country. But the rates on corn from the distant seaports are equal or lower. If the rates were in fair proportion it would mean an addition of 3s. a ton, or 9d. a quarter, to the value of the corn.

Nunneley,
56,132.

The rates on cheese from Leicester, about half-way, are slightly in excess of the rates on American cheese from Liverpool to London.

Rolleston,
13,661.

Mr. Berry, as a representative both of the Central Chamber of Agriculture and of the Mansion House Association, gave, to illustrate many hundreds of similar instances, figures showing the differences in railway charges on foreign and home produce for the same distances.

49,177-181. Thus the through rate from Calais to London for butter is 1*l.*; the water rate, including dock charges, being 15*s.*, leaving 5*s.* for local rate from Dover to London. The English farmer pays 12*s.* 3*d.* from Dover, while the Canterbury farmer pays 11*s.* 9*d.* in all cases for quantities over 3 cwts.

49,181. Onions from Calais to London cost 14*s.* 5*d.*, owner's risk, and the cross-channel rate is 13*s.* 4*d.*, owner's risk, showing that the 72 miles from Dover to London is covered at the rate of 1*s.* 1*d.*, whereas the rate for English onions is 12*s.* 3*d.*, company's risk.

49,182. Potatoes from Calais to London cost 13*s.* 9*d.*, water rate 8*s.* 4*d.*, leaving 5*s.* 5*d.* for the local rate from Dover, whereas the English rate is 10*s.* 6*d.* from Dover and 10*s.* from Canterbury.

49,211. Apples from Calais to London cost 15*s.*, with a water rate 13*s.* 4*d.*, leaving 1*s.* 8*d.*
49,212. for the railway charge on this side, while the English rate is 12*s.* 3*d.* from Dover and 11*s.* 9*d.* from Canterbury.

This is a preference of 10*s.* a ton in favour of foreign apples, and, taking 5 tons to the acre, is a bounty of 50*s.* an acre against the English fruit grower.

49,191. The difference of about 5*s.* a ton in the case of potatoes is a bounty of 40*s.* an acre against the home producer.

49,190. Mr. Berry admits that the English farmer would not be greatly benefited by the raising of the through rates on foreign produce in such cases, as it would come more cheaply direct to London by water; but he urges that the companies are clearly carrying foreign produce at some profit, and could therefore reduce the charge on home produce. He agrees that foreign consignments are packed and delivered so as to be more readily handled and compactly loaded. "But," he adds, "I believe that is being made an unfair use of against us. I do not think there is anything like the difference which has been suggested."

Demands of
agricul-
turists.
49,258.

270. The demand formulated by Mr. Berry is that "our one ton ought to be carried at the same rate that the railway company carries two or three tons of foreign goods, that is if we can give them a fair average load." Under no circumstances whatever should foreign produce be carried at a less rate per ton per mile than English produce."

49,233. A fair allowance should be made for ease and convenience of handling and loading, but 5 to 15 per cent. would be reasonable, whereas, even in the case of hay, hops, and fresh meat, as to which the traders were successful in the Southampton rates case, the companies under the present law were able to justify differences in their charges of 300 to 400 per cent. on the ground of services rendered.

9,272. Mr. Berry is strongly of opinion, and expresses the opinion of the Central Chamber of Agriculture, that, having regard to the results of the Southampton case and the facts as to undue preference, that "no redress whatever can be given to agriculturists until the law is so altered as to put English produce on something like all-fours with foreign, and that it was not the intention of Parliament" that all these differences should be allowed.

Helpless
position of
traders in
combatting
the com-
panies.
Kidner,
2812.
Middleton,
2361.
See Bear,
27,788-91.
2371.
49,224.
49,226.

271. Several witnesses draw attention to the helplessness of traders. "We have great difficulty in finding whether railway charges are the legal rates or otherwise, or how they compare with others." "It is quite impossible for a single farmer, or even bodies of farmers to take any case before the Railway Commissioners, we consider there should be some cheap tribunal to which any farmer or trader who had a grievance should be able to go at a very moderate expense." There are great difficulties in proving undue preferences.

Mr. Berry thinks it difficult to get redress. Every case has to be fought, which means money, and that is what agriculturists have not got. The conciliation clause is useful, but in the congested state of business at the Board of Trade means protracted delay, and, after all is done, the Board can only advise the companies, and has no control.

And, although it will be seen from the review of decided cases under the Acts the Courts have been enabled to give a status to associations of traders to obtain in some sense general redress as regards unreasonable rates and preferences, it does not follow that individual agriculturists can share in these benefits without having themselves also to set the law in motion with risk of loss and disappointment.

I am, therefore, of opinion that the decision of individual cases of a simple character might well be devolved on county courts.

272. Since the commencement of our inquiry it has been satisfactory to note that action has been taken, both on behalf of the agricultural interest to facilitate the collection and despatch of produce so as to assimilate the services rendered for home and foreign produce, and for small and large consignments, and by the railway companies in voluntarily reducing rates and offering greater facilities especially for small consignments. Recent concessions by the companies.

Particulars of the new traffic arrangements have been furnished us by the Great Eastern, Great Northern, Great Western, London and North Western, London and South Western, London, Chatham, and Dover, South Eastern, North Eastern, and London, Brighton, and South Coast Railway Companies.

The Great Eastern, "as an experiment," are carrying all kinds of farm and market garden produce from nearly all their stations to London at 1*d.* per 5 lbs., in boxes of specified shape, carriage prepaid. Special reductions have also been made as to rates for corn, feeding stuffs, and manures, natural and artificial, for distances over 40 and 65 miles.

The Great Northern have made similar arrangements for small packages from rural stations on their lines to London and other large towns. The rate ranges from 6*d.* for 20 lbs. to 1*s.* 2*d.* for 60 lbs. prepaid. The Company furnish a list of farmers, market gardeners, and others desirous of forwarding produce direct to consumers.

The rates for stable, farm yard, and other manure, in six-ton lots from London, are also reduced experimentally from 12 to 30 per cent. The rates on fresh meat and dead poultry are also reduced.

The Great Western Company from August 1896, have arranged a reduced scale of rates for fresh meat, dead poultry, butter, eggs, fruit, and vegetables, in consignments of 10 cwts., 1 ton, 2 ton, and 3 ton lots. Mixed consignments will be charged at the reduced rates, if the minimum quantity is made up by a combination of the various articles. The Company also announce lower rates for manures and feeding stuffs, grain, cider, potatoes, and roots.

The South Western Company have also adopted a reduced tariff for fruit and vegetables packed in consignments of 1 cwt. and upwards, reduced rates for meat, including cartage in London, and for grain, green crops, vegetables, roots, oil-cake, packed manure in loads of not less than six tons (which can be made up of any of these articles), between non-competitive stations. There is also a reduced scale for live stock for short-distance traffic between "local and non-competitive" stations. July, 1896.

The London, Chatham, and Dover Railway Company "have issued reduced rates from all their stations to London markets for fruit and vegetables, and also for feeding stuffs and roots and packed manures in 6-ton lots. The reductions are about 18 per cent. July, 1896.

The South Eastern Railway Company, in November 1895, reduced the rates from London to all non-competitive stations 25 per cent. on manure in bulk in 6-ton lots, outside a radius of 20 miles. In July 1896, fruit and vegetables for London, cattle feeding stuffs, and packed manures in 6-ton lots were reduced 15 per cent. The cartage on hops in London was reduced 25 per cent.

The North Eastern Company in February 1896, adopted an experimental scaled reduced rates between local non-competitive stations (1) for manure in bulk, a minimum truck load of 5 tons (2) for grain, potatoes, roots, feeding stuffs, packed manures, minimum of 5 tons; (3) for part truck, small truck, and medium truck loads of live stock.

The London, Brighton, and South Coast Railway furnish tables showing reductions in rates for manure since prior to December 1881, in bulk of from 21 to 29 per cent.; for grain, oil cake, and potatoes, since 1880 of 34 per cent. on the average; for roots, since 1893 from 16 to 23 per cent.

It is to be hoped that the policy thus adopted will be extended to all parts of the railway system, and may be further expanded in its details, especially as regards small consignments, and that it may result in a considerable increase in traffic and receipts to the companies.

At the same time it may be observed that the adoption of this policy is a clear admission of most of the contentions agriculturists have put forward for years past.

273. As the scope of our own inquiry on this subject was restricted, owing to the recent inquiry by a Select Committee and the Act of 1894, the results of which are not yet fully before the country, it seems desirable to briefly indicate what has been done and what still may remain to be done. Recent history of this question.

The Select Committee of 1893 had to inquire "into the manner in which the railway companies have exercised the powers conferred upon them by the Railway Rates and Charges Order Confirmation Acts (1891 and 1892), and to consider whether it is desirable to adopt any other than the existing means of settling differences arising between the companies and the public with respect to the rates and conditions of charge for the conveyance of goods."

Report of
the Select
Committee
of 1893.

274. The report of the Committee makes it clear that it was not intended by Parliament that the systematic classification of charges provided for by the Act of 1888 should be so manipulated that the companies could recoup themselves for the reductions made in maximum rates in some cases by raising the rates in other cases, even where rates so raised were still below the new maximum rates. The Board of Trade, in fixing the new maximum, did so on a definite understanding that the new maxima, where higher than the previous rates, were so fixed only to cover in the future any possible increase in the cost of services. This understanding was explicitly affirmed by the representative to the companies. But, in the new schedules of rates issued in 1893, the companies set aside this understanding and generally imposed the full maximum rates, making enormous increases in many instances. This course was emphatically condemned by the Select Committee, who also, in dealing with the modified claim of the companies to an increase limited to 5 per cent. over the rates current in 1892. "It was not the intention of Parliament," they say, "that the companies should raise their non-competitive actual rates even by 5 per cent. all round for the purpose of recouping themselves for the reductions of other rates which Parliament has pronounced to be unjust and unreasonable."

Evidence given before the Committee showed that, even with the revision limiting the increases in most cases to 5 per cent., the result on the Great Western line was that the Company were raising the rates on some traders by 94,000*l.* a year, in order to recoup itself for reductions to other traders to the amount of 80,000*l.* a year, and thus making a net gain of 14,000*l.* a year on the previous total amount of receipts.

The general effect, therefore, of the Act of 1888, and the subsequent proceedings of the Board of Trade and Parliament in pursuance of that Act, had been, while giving to traders certain advantages in the simplification and systematising of rates, to enable the companies to increase their rates, and to give those increased rates a legal validity which they had not under previous legislation. In the opinion of the Committee, the effect of section 24, sub-section 20, of the Act of 1888, to wit: "That the rates and charges mentioned in a provisional order to be framed in accordance with the Act and confirmed by Parliament shall from and after this Act comes into operation be the rates and charges which the railway companies shall be entitled to charge and make," whether it was fully contemplated by the Board of Trade and Parliament, during the passing of this Act, or not, was to clear up any doubts as to the meaning of the Act of 1845, and to make it certain that no rate thenceforward could be questioned at law if within the maximum allowed by the Provisional Orders of 1891 and 1892, except those which are open to objection on the ground of undue preference.

With this exception of undue preference, Parliament left no remedy for unreasonable rates within the maximum, except the conciliation section 31 of the Act of 1888, under which the Board of Trade has no power to enforce any conclusion it may come to on the point in dispute.

The situa-
tion in 1894.

275. The situation was in fact this. Parliament in 1888 had created machinery for the benefit of traders who were suffering from excessive charges. But the fixing of maximum rates, with wide allowance for the future expenditure of railways in carrying out their services, and without any statutory check on the misuse of these maxima to the detriment of traders, had enabled the companies to carry out not merely a policy of complete recoupment for reductions, but also to secure an increase in their gross receipts.

In view of the fact that some companies "may continue to enforce on certain traders grave additional charges" to carry out this policy of recoupment, the Committee recommended legislation "to protect traders from unreasonable raisings of rates, even within the maximum charges, and from such unreasonable conditions of transport as cannot now be made the subject of arbitration."

The Act of
1894.

276. The Act passed in 1894, in pursuance of these recommendations, throws on the railway company the onus of proof that any increase in a rate or charge made subsequently to 1892, whether directly or indirectly, is reasonable even where such increase leaves the increased rate within the authorised maximum. Complaints are made in

the first instance to the Board of Trade under the conciliation section, and if not there adjusted, can be carried before the Railway Commission, who has jurisdiction.

In my opinion the Act of 1894 is defective in principle and in its procedure, and cannot be considered as anything more than a temporary expedient. Objections were taken, during its passing through the House of Commons, (1) that by limiting complaints and jurisdiction to the increases made in rates, it was made difficult if not impossible to go into the constituent elements of the whole rate so as to determine in the only complete and satisfactory way whether the increase was reasonable or not, and (2) that the Act was legalising rates existing in 1892, whether reasonable or not, and so to some extent, defeating the purpose and intentions of Parliament in the legislation of 1888 and subsequent years.

These objections seem well founded and the first of them has received some illustration in the arguments on which the recent judgments in the Northampton case by the Railway Commissioners and the Court of Appeal and in other decided cases upon which comments are made in subsequent paragraphs, seem to have been based.

277. The precise value of the existing law as a remedy against undue preferences and unreasonable rates is best measured by some recent judgments of the Railway Commission.

The working of the Acts in courts. Recent decisions.

The cases of undue preference depend on the interpretation of section 27 of the Act of 1888. That section throws the onus of proof on the company to justify differences of charges to different traders or districts for similar merchandise and for similar services, specifically empowers the court or the commissioners to take into consideration whether the differential charge is necessary for the purpose of securing in the interests of the public, the traffic in respect of which it is made, and whether the inequality cannot be removed without unduly reducing the rates charged to the complainant, and especially provides that in the case of foreign versus home produce no difference of treatment shall be sanctioned "in respect of the same or similar services."

278. In the case of the Liverpool Corn Trade Association *v.* The London and North Western Railway Company, decided in 1890 in favour of the complainants, undue preference was alleged in respect of a charge of 8s. 4d. a ton for 2-ton lots on corn from Cardiff to Birmingham, the distance being taken as 127 miles, whereas 12s. 9d. per ton was charged from Liverpool to Birmingham, taken as 98 miles, on 2-ton lots, and 11s. 3d. on 4-ton lots. The preference enabled Cardiff to undersell Liverpool at Birmingham by 3d. to 4d. a sack. The company argued that the Liverpool rate was reasonable and that the low Cardiff rates could not be raised, as they were necessary to secure the traffic in the interests of the public, because of the low competing rates from the Severn ports.

Undue preference, Liverpool Corn Traders *v.* L. N. W. Railway Co.

Mr. Justice Wills delivered an elaborate judgment, as this was the first interpretation of the section. He held that the justifications, because of competition and because of the impossibility of re-adjustment without undue reduction to the complainant, are matters which only may be taken into account, and in addition to all the other considerations. On the one hand the commercial interests of the company were not to be disregarded unless the public were interested also in securing the traffic, nor on the other hand was the mere question of securing the traffic, even in the interests of the public, to be conclusive in favour of the company.

The inequalities complained of were in themselves illegal, and it was immaterial even to prove existing injury to trade. They could not be justified on the ground that unless the rates from Cardiff were thus low the traffic could not be secured, because no interest of the public was established in securing an alternative route, as such a route already existed.

279. But the subsequent case of the Liverpool Corn Traders' Association *v.* the Great Western Railway Company was decided in August 1892 in precisely the opposite sense. This judgment seems to have been governed by the decision of the Court of Appeal in the case of Phipps *v.* The London and North Western Railway Company, in March 1892, when Lord Herschell held that the fact that a trader had access to a competing route for the carriage of his goods may be taken into consideration by the Railway Commissioners or the Court, in deciding whether lower rates charged to such trader are an undue preference under the Acts of 1854 and 1888. Lord Herschell held that the Act of 1888 did not alter the considerations under the Act of 1854, but made it clear that both the interests of the Company and of the public might be considered, and that it was in general to the interests of the public to encourage traffic from greater distances by rates low enough to make competition possible. The

Undue preference, Liverpool Corn Traders *v.* G. W. Railway Co.

intention of Parliament was that the court should weigh all the consequences of either raising the low rate, or of unduly lowering the high rates.

Accordingly in the Liverpool corn trade case against the Great Western Company the decision, on much the same issues as in the case two years before against the North Western, was in favour of the Company on the ground that it was impossible for the Company to secure the grain traffic from the Severn ports in face of the competition of the Midland Railway and of carriers by water unless the low rates were maintained, while the inequality could not be removed without unduly reducing the rates from Birkenhead, which were rates applicable to the whole port of Liverpool, and that it was necessary to maintain the irregularity of rates, if the Midland markets were to have the benefits of both sources of supply. One of the Commissioners, Sir F. Peel, however, delivered a judgment substantially on the lines of the North Western case of 1890.

An appeal was dismissed on the ground that no question of law was raised, and that on questions of fact, there was no appeal from the Railway Commission.

Preferential
rates for
foreign
produce.
Southamp-
ton case.

280. The judgment of the Railway Commissioners in the case of the Mansion House Association *v.* The London and South Western Railway Company in April 1895 gives the first interpretation of the "proviso" added in the House of Lords to section 27 to exclude undue preference for foreign produce. The complaint was that while imported bacon and hams, butter, cheese and lard, hops, and wool paid 6s. a ton from Southampton Docks to London, 76 miles, and hay 5s. a ton, the rates from Southampton Town were 17s. 6d., 17s. 11d., 20s. 10d., and 17s. 11d. respectively, and for hay 9s. 8d. a ton for the same distance; and the rates from Botley (also 76 miles) were about 1s. 2d. to 1s. 9d. higher still. The traders' contention was that the proviso forbade a differentiation of rates in favour of imported goods, and explicitly shut out the considerations that might be advanced to justify lower preferential rates in respect of home traffic.

The Company relied in their first replies on the plea that the low rates from Southampton Docks to London was (1) an apportioned amount of a through rate, and (2) that it was necessary to enable them to compete with the water route to London. But on coming into court they had to abandon these pleas as untenable in the wording of the Act and of the proviso, and to rely solely on the plea that the services rendered in respect of the foreign produce cannot be treated "as the same or similar services" as those in respect of home produce, when they can be rendered at a lower cost and with larger returns owing to the conditions of the traffic, uniformity of packing, ease of handling, &c.

The Commissioners held that, as regards the local charges in England, foreign and home produce should stand on the same footing, and that justification of a lower charge because of less cost of service ought to be admitted as between foreign and home produce in the same way as it would be between one kind of home traffic and another, and that this justification could not be excluded by the proviso simply on the ground that the goods in question were imported.

What the proviso really is intended to exclude is any advantage to foreign goods because of the distance of their place of origin, or any consideration of what may be necessary to secure traffic because of sea competition outside the United Kingdom. "If the railway company have proved facts which would justify the admitted differences had the goods in both cases been home goods, the company are not debarred from relying on those facts as an answer because the goods which received the benefit of the differences are of foreign origin."

Sir Frederick Peel thinks that the proviso requires differences "to be judged solely with reference to services rendered by the railway company," and that "differences in rate or treatment shall be such only as the degree in which the services may not be similar may make reasonable."

The foreign consignments are of greater average weight, and load more compactly, so that on the average the return is stated at 4.4d. per truck per mile to 3d. for home goods. Again, the foreign steam-pressed hay loads 4 tons to the truck to 2½ tons of English hay, while foreign hops load 3 tons to 2½ tons of English.

The limits of justification being thus narrowed to differences of cost of service, the Commissioners ordered a readjustment of rates as regards hay, hops, and fresh meat, but rejected the traders' complaint as to the other articles on the ground that the traffic in them was insignificant.

Considera-
tions on the
Southamp-
ton case.

281. This judgment would seem to fully justify the contention of agriculturists that the excessive differences in rates on foreign produce are substantially due to the

action of the companies in competing for imports by a policy of putting very low charges upon them, and recouping themselves by unreasonably high rates on home produce. It is clear that the considerations of less cost of services relied on can fairly account for only a small proportion of the enormous differences ranging in this Southampton case from 57 per cent. on fresh meat, and 63 per cent. on hay, to 220 per cent. on bacon, butter, and wool, and 276 per cent. on hops. Further, it appears that the differences in cost of service, such as they are, are probably exaggerated. The Salisbury meat traffic runs through Eastleigh, 71 miles to London, without stopping in a fast train exactly like the meat train from Southampton docks. And hops and other foreign produce are, it is shown, frequently run up in half loaded trucks, so that the consideration of close packing is non-operative.

I am disposed also to think that the ground stated for refusing to order a readjustment in the rates for bacon, &c., is unsatisfactory, inasmuch as it might permanently check any attempt to develop new traffic, such as curing factories or creameries.

282. By the decisions of the Railway Commissioners and the Court of Appeal in the case of the Mansion House Association *v.* The Great Western Company, where the Association made general complaints of unreasonable increases in the rates on certain classes of goods, it was settled that such complaints could be made under the Act of 1894, by an authorised association, without proof of loss to any individual trader, or without any trader paying money into court.

Position of associations as complainants.

Lord Esher held that as the Company had raised their rates in respect of a whole class of articles, instead of looking into the question as to each of those articles "in an ordinary, fair, business manner" before they raised the rates, in which case they would have had ready to hand reasons why they raised the rate on each particular article. Unless, therefore, they could justify the whole by some common reason, they could not call on the complainants to name the articles individually complained of. The onus of proof, therefore, remains on the company, as in the case of an individual complaining trader, and an increase of rate on a particular article.

283. The present state of the law as to the extent of the right given to traders under section 33 of the Act of 1888, to have the component parts of a rate, when it is within the maximum, split up and separately stated, has been decided on April 14th, 1896, in the case of the New Union Mill Company *v.* The Great Western Railway Company. The judgment of Mr. Justice Collins and the Commissioners was that the Act is complied with if the company choose to state, on their own responsibility, that the whole charge is for conveyance only. The court cannot compel a company to state charges for terminals if the company choose to say, "We make no charge for terminals." The Act of 1894 makes no difference. "It may or may not be that section 4 of the Act of 1894 does entitle a person under those circumstances to a rebate, notwithstanding the railway company assert that no charge is made in respect of the particular matter in respect of which he asks for a rebate. I do not decide that point."

Right of traders to obtain analysis of rates. New Union Mill Co. *v.* G. W. Railway Co.

It appears obvious that the law so interpreted undesirably limits the facilities for establishing cases of undue preference or unreasonable increases.

The desirability of effective machinery for properly establishing the real charges made in railway accounts is shown by a comparison of the analysis of rates for grain in 4-ton lots from Liverpool to Birkenhead to Birmingham with the figures given in evidence in the case of 1892 by the Great Western Company for the purpose of rebutting the allegation of undue preference.

The analysis of 1896 is "collection by cart from dock warehouse in Birkenhead 8*d.*; delivery by cart in Birmingham 1*s.*; conveyance 98 miles 9*s.* 7*d.* (=1*l.* 17*d.* per ton per mile), total 11*s.* 3*d.*

The analysis used in evidence in 1892 runs thus: "Collection by cart from Liverpool warehouse, 1*s.* 4*d.*; lighterage across the Mersey, 2*s.*; unloading from lighter, 4*d.*; storage at Birkenhead, including loading into and unloading from warehouse, 1*s.*; do., do., at Birmingham, 1*s.*; cartage in Birmingham, 2*s.*; conveyance 98 miles (= .44*d.* per ton per mile) 3*s.* 7*d.*; total, 11*s.* 3*d.*"

284. In the case of Rickett, Smith & Co., the Derbyshire Silkston Coal Company, and the Grassmow Company against the Midland Railway Company for indirectly raising their rates on coals by about 3½ per cent., by altering the allowance for wastage, it was practically determined that increases of rates within the maxima have now to be justified by proof of increased cost of services rendered, and a majority of the Commission decided that this increased cost had not been made out by the company.

The Coal Companies *v.* Midland Railway Co. Indirect increase of rates.

Increase of rates under Act of 1894. Northampton case.

Lord Cobham judgment in North-Western case.

Observations.

Conclusions.

Recommendations.

Small holdings and the future re-organisation of labour.

285. In the case of the Mansion House Association *v.* The London and North Western Railway Company, where complaint was made of increases (mainly between London and Northampton) in class and special rates, and in rates on small parcels, and on the live stock rates to Northampton from Hereford and Welsh stations, and from Bletchley, the defence of the Company was wholly in the cartage charges. But while the Company showed an increase in the cost of cartage of 12 to 15 per cent. within the last 10 years, the increases, if treated as increases only in respect of the cartage item, are shown to be not 12 to 15 per cent. increase on the old cartage charges, but from 28 to 36 per cent. "It follows, then, either that the increase in the cartage charge has been excessive, or, as is more probable, that the increase has never in effect been made as suggested, but has fallen to a large extent upon the railway portion of the aggregate rate." Judgment was therefore given, and an order made to discontinue the increases.

286. It is to be noted in this and other cases that the limits imposed by the several Acts of Parliament obviously preclude that complete disclosure of the railway accounts, and distinct proof of the several items of costs of service and of details of changes, by which alone a completely satisfactory decision could be arrived at. The real amounts charged for cartage, and the real cost of cartage previous to 1893 were clearly matters of more or less probable conjecture and not of demonstration.

In connexion with this and other cases attention should be drawn to the general unwillingness of railway companies to treat the decisions of the courts in these cases as a standard, by which to regulate other similar charges. The policy seems to be, as far as possible, to compel individual agriculturists and traders to go to the expense of proceedings, rather than to re-cast charges, which have been indirectly shown by these test cases to be indefensible in part or whole.

287. In conclusion, I am of opinion that the present state of the law and of its administration as to railway rates so far as the interests of agriculturists are concerned, is confused, incomplete and unsatisfactory.

It might be conceivable to leave the railway companies and the traders free to arrive at adjustments by commercial and economic friction. But this has not been done. The State has undertaken to supervise and to some extent regulate the charges made by the railways, in view of the qualified monopoly that has been secured to them. The object of such regulation is that, while the vast capital invested in railways should be fairly protected, the industries of the country should be enabled to have their products and their raw materials carried at reasonable rates which do not confiscate their possible profits, nor give unfair advantages to one set of interests as against another, nor operate to restrict the development of trade. It is not, in my opinion, desirable that the legal and administrative machinery for this object, now that it has been recognised as a proper function for State control, should be inadequate, as the review of the cases referred to, and the considerations by which the judgments were governed, compels me to believe.

288. I therefore recommend that further legislation is necessary in order to enable traders to bring to the test, and the courts to determine the reasonableness of all rates, and of any part of a rate whether made or increased before 1893 or not, and within the maxima fixed by the Provisional Order Acts of 1891 and 1892, and more especially to enable both traders and the courts to test with precision the real cost of all services and accommodation provided by railways and the relation of the charges and rates imposed in respect of such services to the cost so determined. Power should also be taken to decide all minor points arising between traders and the railway companies by the county court procedure, or some cheap and simple delegation of the duties of the Railway Commission.

I am also of opinion, in view of the observations of several of the judges who have had to give decisions in respect of section 27 of the Act of 1888, that legislation if necessary to indicate more clearly what weight is to be attached to considerations of competing routes as a justification for differences of rates as between one place, and one set of traders and another.

CHAPTER XV.

SMALL HOLDINGS.

289. As the chapter in the Majority Report dealing with this subject seems somewhat incomplete and to present too strongly the less favourable view of small holdings, some further extracts from the evidence and reports is here appended, with some further conclusions and recommendations.

It is to be regretted that the Commission did not take directly the evidence of representatives of occupying owners or tenants of small holdings. But a large amount of evidence of this nature was collected by several of the Assistant Commissioners, and especially by Mr. Wilson Fox, Mr. Pringle, and Mr. Rew.

An obvious and initial difficulty in arriving at just conclusions on this topic is due to the still prevalent lack of sympathy with and insight as to the aims and methods of small farming. Among the large farmers and land agents there is still a reluctance to recognise the economic function which land reformers naturally attribute to small holdings. Small holdings and job labour naturally go together. And the majority of the large farmers do not seem yet to realise what the systematic development of allotments and small holdings can do for agriculture in maintaining on the spot a permanent supply of efficient and skilled labour.

In my opinion, labour cannot be much longer organised on the old lines—at any rate to the extent common in the “seventies” and the “eighties.” Labour must necessarily become more independent, and the natural relations between the big farmer hiring labour and the labourer must tend to become more elastic. Labour can no longer be bound down to 12s. a week, harvest wages, eighteenpenny cottages, and rood allotments. If the best labour is to be retained for agricultural work there must be reasonable opportunities for men to raise themselves little by little, by getting land to cultivate, or by working up a small stock of cattle, or by poultry, eggs, or milk.

And the transition to the new state of things will not lessen but increase the supply of labour for carrying on the work of the larger farms economically and effectively. The interests of the two classes are not antagonistic, but bound together, and the movement of the time, checked like everything else in agriculture for the moment by the acuter stages of depression, must inevitably in the long run, when times get better, not only tend to raise the condition of the rural population, but to bring to agriculture a more thorough organisation, a more eagerly competing enterprise, and a higher degree of prosperity than has ever hitherto been known.

290. To deal with some of the typical cases brought before us.

In the Isle of Axholme small holders have had exceptional advantages and exceptional drawbacks. The land is rich and workable, but from that very reason there has been too keen competition, too eager desire to acquire land at any price, and with capital borrowed on almost any terms,* the small owners have suffered most, not because their labour and industry have been fruitless, but because they have discounted the future too freely, and imposed on themselves in the interest on mortgages a rent which, at current prices, even that rich soil could not pay. Interest does not generally admit of remissions like rent. Where mortgagees have abstained from exacting the full interest, it has remained as an arrear of debt to be cleared off in better times.

Typical small holding districts. Isle of Axholme.

The eldest son, on inheriting, has too often put heavy charges on his little estate for the benefit of the rest of the family, just as big owners have overburdened their big estates. Bequests and sales have led to minute subdivisions into strips and plots of land often wide apart. This means loss of time, doubling the cost of labour,† and also makes thorough working and manuring more difficult. Many of these men have been ruined, and their land gone to the lawyers. p. 10.

On the other hand, many, even of the heavily mortgaged small owners, have in past years cleared off their mortgages, or have in later years been able to transfer, in some cases, to a new mortgagee on easier terms. p. 10.

Mr. Pringle describes them as hardworking, thorough in management, frugal and thrifty in their home life. Their “work is neatly and seasonably performed, their root-crops and corn stubble remarkably clean.” The heavy cropping requires liberal returns of manure, which in bad times has not been always available; but, taking the Isle of Axholme as a whole, the standard of agriculture is extremely high. The houses, too, are commodious and comfortable. In the good times money had been spent freely on buildings and domestic comforts. Pringle, p. 15.

Of the smaller holdings 80 per cent. are freeholds and 90 per cent. are under arable cultivation. Wheat has, of course, decreased its area materially, while oats have increased over 40 per cent., and there has been a rapid and persistent development of special crops, such as celery, carrots, beetroot, and other vegetables, which take up most of the land formerly left in fallow.

* In the “seventies” good land ranged up to 120*l.*, and inferior to 60*l.* an acre. Confidence in rising values was so great that a man who could pay a deposit of 10 per cent. only could borrow the balance without difficulty.

† Realising, in some cases, 3*l.* 14*s.* an acre.

One drawback is the comparative scarcity of job labour for small holders, to whom the addition of wages from time to time would be a great help.

p. 11. The suffering in North Lincolnshire is not confined to the small freeholders. Mr.
p. 13. Pringle gives cases which showed that tenant farmers of large farms are as badly off as the small owners, and on an estate of 3,500 acres the rent has fallen from 6,860*l.* in 1882 to 3,365*l.* in 1892, while the arrears of 1882 were 2,068*l.*, and in 1892 were 6,700*l.* Many of the larger tenants, with insufficient capital, seem to have collapsed, and their farms have been taken by new men at great reductions who are doing better by improved methods, and by converting their rich soil to market gardening. When celery can be grown at a considerable profit and the early potatoes, grown between the celery rows fetch 90*s.* to 96*s.* a ton, it is only lack of capital, or freedom, or excessive rents which can prevent a reasonable amount of prosperity.

p. 19. The balance sheets of a farm of 73 acres for 11 years from 1882 to 1892 occupied by a tenant show a net loss over the whole period of 470*l.*

9096. Mr. Bear, in his book on "Small Holdings," says, "The houses reminded me of those I had seen in Jersey rather than of the cottages of farm labourers, and I was most struck with the well-fed and happy appearance of the people." This account is confirmed by Mr. Pringle.

On the whole, results are much what might be expected. At present values the old mortgages could not be realised, and the interest upon them is an enormous burden. Land is kept by great sacrifices both on the part of parents and children who work without wages. The economic pressure has fallen heavily upon these people. But their lives have been happy, self-reliant, and independent. Adaptation is rapidly meeting difficulties for those who can hold on, and where there is any capital to work the land well the position is improving, and if prices are but slightly better the small holders who pull through will reap the fullest fruits from all their sacrifices.

It must be remembered, too, that, although the pressure of hard times has been tremendous, these men have even in such times an advantage from ownership not shared by the yearly tenant. While the latter have been swept away in wholesale ruin in many districts, the small owner has in most cases been able to cling on somehow, and so keeps his chance of recovery.

And it is plain from Mr. Pringle's report and other evidence that the solid comfort and prosperity of former times has left considerable resources to draw upon.

The New
Forest.
48,583.

291. In the New Forest, where the policy of consolidating farms wholly failed, and 100 acres is about the largest type of farm, the commoners and cottagers with small holdings ranging from 6 to 20 acres (the most workable size being 12½ acres), have done well by turning out cows, ponies, and pigs in the forest, under the rights secured to them by Acts of Parliament.

Mr. Briscoe Eyre, who came specially to give evidence as to this district, said:—

48,589. "Everybody turns out something. Many labourers double their wages by stock-keeping, and some have been known to save all their wages for a series of years, making their living by their forest rights. A labouring man will get hold of one animal somehow, a cow, or a mare, and then that makes the foundation of his fortunes. . . . When once they have something like 5*l.* either in stock or money, they then go steadily up in the social scale."

48,594. "They reckon that if a man turns out a lot of pigs of all sizes in a good mast season he can clear 10*s.* per pig."

48,599. There is an immense deal of money made in the Forest by ponies, and efforts are being made to improve the breed.

48,605. Though ordinary farm land in neighbouring districts has fallen one-half, these small holdings have not gone down at all in value.

Land which would sell in larger holdings at 20*l.* to 25*l.* an acre fetches in small holdings about 40*l.* an acre.

48,612. Small holders, who are the sons of the labourers of the past generation, are actually investing their savings in these little holdings, if they can buy them, to pay 4 or 5 per cent. At recent sales in the Forest, land in small portions has sold up to 100*l.* an acre.

48,615. Mr. Eyre says the industry and thrift of the small holders, and "the way in which
48,620. they seem to have money whenever they want it for their own purposes," is astonishing.
48,628. Labourers who worked at 12*s.* a week have now holdings of 12 to 50 acres, while a
48,629. labourer's son who started with a heifer of his own, when only 17, now deals in cattle, sometimes to the amount of 500*l.* a week. The average amount to each depositor's credit in the savings bank is 17*l.* 7*s.* 11*d.* as against 14*l.* 12*s.* 2*d.* for all England. A
48,662. little carting adds to their profits.

Of a small holding about one-fourth would be arable, with potatoes, turnips, vegetables, and winter food for their cows. The rest is pasture and orchard. There is spade culture and high manuring. Dairy-fed pork, butter, poultry and eggs are sold to itinerant dealers. 48,698.
48,706.

The majority of the holdings are let, and at rents double the usual rent of the district, because of the grazing rights. But the tenants can well afford it. 48,755.

292. Although the old race of small owners, called locally "statesmen," have been dwindling in Cumberland and Westmoreland, from the many temptations to sell their land, from changes in their family tastes, and other causes, the northern counties throw a most encouraging light on the policy of promoting small holdings. The Cumberland "statesmen" and small holders.

Mr. Coleman, reporting to the Richmond Commission, said that "the prosperity of the farmers in Cumberland and Westmoreland is attributable mainly to their extraordinary industry and careful habits, which are induced by the desire to improve their condition." Wilson Fox, Cumberland, p. 36.

The agent to the Netherby Estate says, "the farmers who have been foremen and labourers keep climbing up. They are never satisfied to stand still." A man who has risen from a shepherd to a large farmer says: "I think a small farm should be a stepping stone to a large one."

Lord Lonsdale's agent stated: "We have plenty of big farmers who began life as farm servants, and now have 300 or 400 acres. They make the best farmers, being steady hard working men who know their business."

Lord Leconfield's agent: "Wages have been good, clothing and the other necessities of life cheap, so that a thrifty man could save, and in middle life take a farm and do well, increasing the area as time went on. There is one not far from here paying 350*l.* rent. He and his wife were both farm servants."

A foreman on Sir Richard Graham's estate at 14*l.* the half-year, began to farm at 35*l.* rent, went to a 150 acre farm, and then, with a large family of children to help him, took 500 acres. "At last a farm rented at 1,000*l.* a year fell in, and he was able to take and stock it all with his own money. He then took another 700 acres at 1,100*l.* By this time he was farming 2,000 acres at a rent of 2,100*l.* a year. The family are still farming this acreage, and 1,000 acres in addition."

Many similar instances are reported by Mr. Wilson Fox.

Wilson Fox, Cumberland. Appendix B. 1, p. 53.

In the Appendix to his Report one man tells the story of his life and how by steady industry he was able to buy 80 acres and build a house out of the profits of farming, and even to pay off the debts of relatives to the amount of 2,000*l.*

Others have done well, but complain that rents are far too high, and that they have kept afloat by withholding any wages from their children.

"All round here the farmers' sons and daughters work for nothing. I do not know one case where a father pays his sons and daughters wages. They give their sons a shilling or two to buy tobacco." p. 39.

The last few years have been hard for small men with insufficient capital.

p. 40.

One man says: "Up to 10 years ago we did well and saved a lot of money, but for five or six years I could not have done without the interest on the money saved."

293. The same thrifty and industrious spirit is shown in Northumberland, where many have risen from being labourers and shepherds to large farmers. Northumberland.

Those who have taken small farms recently have suffered most, but "those who rose to the position of small farmers between 1864 and 1873," says Mr. Scott, and made some money before the depression began, have done fairly well since, not only because they had saved money, but because they have not lost the economical habits of their youth." Lancashire. Wilson Fox, Glendale, p. 14.

Some striking instances of successful small farming are given in Mr. Wilson Fox's Lancashire Report.

One man farming 63 acres has done well throughout the depression by high farming near good markets, and by judicious application of capital to altered methods. "It is better to have a small farm and farm it very well than a big one and farm it indifferently." Wilson Fox, Garstang. Appendix.

In the districts of special farming, such as the fruit districts of Worcestershire and Cambridgeshire and the cheese-making districts of Leicestershire, small holdings have a natural function which seems to be ordinarily discharged with success, even in bad times. J. K. Woodward. Rolleston, 13,668, &c.

294. In counties like Suffolk, where there is little good pasture land or land suited for market gardening, small farms and freehold farmers are rare. Most of them have suffered severely and been squeezed out from want of capital, while their land and buildings are in bad condition. The necessity for an excessive number of hours at labour from want of capital to hire labour tells heavily on the older men. Men of Eastern Counties. Wilson Fox, Rew. Suffolk, p. 58.

exceptional energy and capacity, if the soil is good, and the rent low, can make small farms pay, if they work harder than a labourer. Some few who do at all well are combining some other trade with their small farms.

23,531.

W. H.
Clarke,
23,446,
23,376, &c.
23,457.
23,384,
23,482.

Wilson Fox,
Cambs.,
p. 43-5.

In the fens of Cambridgeshire and Lincolnshire, the easily worked and fertile soil is more favourable, and the results not unsatisfactory, save where the enormous weight of mortgages or excessive rents have swept away the chances of profit.

Thus in the Chatteris neighbourhood of Cambridgeshire, numbers of small holders have been able to pay rents of over 2*l.* an acre, besides heavy drainage and other rates, and have made a good thing out of holdings of four to fifty acres, growing potatoes and early carrots, besides other produce. The rents have been nearly double those of adjoining large farms, but till the last year or two the rents do not seem to have oppressed them. On the whole they have done extremely well till the worst pinch came.

At Willingham, the industry of many small holders makes something out of asparagus, potatoes, and fruit. Elsewhere "men who work hard can still get along on 30 to 40 acres," though it is generally by adding other industries. And most of them have too little capital for essential improvements, such as claying their land.

South Lin-
colnshire.

Wilson Fox,
Lincoln,
p. 60.

295. In South Lincolnshire, the competition for small freehold farms in the good times, and the ease of mortgaging, saddled many men, as in the Isle of Axholme, with charges which have crippled many of them in these times of fallen values.

The majority who bought their holdings left 60 to 80 per cent., or even the whole sum on mortgage at 4½ up to 6 per cent. In the east and south of the county, the highly productive marsh and fen land sold for 80*l.* to 120*l.* an acre up to 1879. In the good times land paid well, even at those rates. But "those who bought about 1878, and started on their farms with no margin of capital, found themselves face to face with steadily falling prices, with a series of wet seasons, with a rate of interest to pay representing a rent much higher than those who were renting land next door to them," and with no prospect of a remission unless it was thought by the mortgagees that they would lose by foreclosing.

After 1879 stock and capital gradually melted away. If the mortgagees foreclosed they would lose at least 20 per cent. of the money advanced.

Calthorpe
quoted by
Wilson Fox,
p. 67.

Evidence of
small
holders,
Wilson Fox,
Lincoln,
p. 68.

296. One of these small freeholders says: "I have brought up a family and nearly worked them to death. They said, 'Father, we are not going to stop here and be worked to death for nothing,' so they went off into shops and left me and the old woman to struggle along."

Another:—"I and my three boys, the eldest 18, work the land, and my wife and daughter when wanted. We have been working 18 hours a day for several days and average 10 to 12 during the year. I have been here 20 years, and have just been scraping along. Last year we lost money. We eat very little fresh meat."

Another:—"We work much harder than labourers, in fact, like slaves. The only advantage we get is we are our own masters. We live very carefully. I just keep going. I pay the interest on my mortgage, and I am not in debt."

Things are less gloomy where there are opportunities for earning wages by occasional work on large farms in the neighbourhood, or wheat carting, coal selling, or other small industries, can be combined with the cultivation of the small holding.

The good
side of
small hold-
ings.
Calthorpe.
Wilson Fox,
Lincoln,
p. 70.
p. 71.

297. In specially fertile districts, such as the Wainfleet and Kirton districts, and where early potatoes, or other high priced crops can be grown, small holders seem to be doing well, with energy and thrift, even at rents from 3*l.* to 5*l.* an acre. A labourer bought 13 acres at 70*l.*, and 10 acres at 110*l.*, and rents 22 acres at 3*l.*, and has in the past 13 years paid off 100*l.* of mortgage, and kept a family of seven children.

Another bought part of his 10 acres at 100*l.* and part at 80*l.* He says:—"From 1879 to 1882 we lost money, and it has been a struggle ever since, as we got behindhand. We are paying our interest, and just getting our living. No doubt a small freeholder or tenant can make a living in this district, if he works hard. Many people here paying 4*l.* an acre are doing well."

p. 72.

Another, who began as a farm lad at 9*d.* a day, and worked as a labourer till 1874, bought nine acres at 82*l.* and rents 60 acres at 32*s.* 6*d.* "Since 1882 I have paid interest and rent and kept going, but have saved nothing. I brought up six children."

p. 72.

Two others, who bought at 115*l.* and 130*l.*, and who also rent additional land, have paid interest and rent, and get food and clothes. "Every one works hard in Friskney; the land was never so well farmed. The hardest time was between 1879 and 1881. We were nearly all broke then, and it has been taking all our time to get square. The small men are just about living."

Mr. Wilson Fox gives one instance of energy and adaptiveness involving remarkable success. A man who bought 12 acres at 106*l.* an acre, and growing early potatoes, bulbs, fruit, flowers, also keeping pigs, poultry, and bees, and taking up each new line that pays, actually made a profit of 86*l.* and 111*l.* in 1893 and 1894, and has "always made money," and since he got his land into condition has always saved money and has cleared off nearly all his purchase money in these bad times.*

The case of H., near Wainfleet, p. 72.

In spite of the enormous difficulties the men who are fit for the work, with energy and capital enough, can do well, if the price is not too high.

The temptation to start with small savings on too large a scale has been the real cause of disaster.

A living is obtainable from as little as 10 acres of "early potato ground," but with mixed farming from 30 to 50 acres seems necessary. p. 74.

The occupiers of small holdings of from 2 to 7 acres who also work as labourers and do higgling are doing well, and so are small shopkeepers who combine small farming with their business.

298. The life has undoubtedly been hard, the work heavy and in the worst times, anxiety has been oppressive, but on the whole Mr. Wilson Fox's summary of the evidence he obtained as to their position from small holders shows that the majority are holding on fairly well, with occasional losses and a very narrow margin, but certainly not worse off than the large farmers. The worst instance he quotes, we note, is one, not of an owner, but of a tenant of 30 acres. Conclusions. p. 76.

In the more favoured districts, such as Wainfleet and Friskney, the state of things is much better.

The competition for small farms is great and increasing. "Foremen and labourers get good wages, and the necessities of life are cheaper."

They save money more easily. They can also rent and stock a farm for less money. Many are thus tempted to try their fortune notwithstanding the price of produce.

On 16 estates in Lincolnshire there are 1,447 holdings under 50 acres, 204 from 50 to 100, 243 from 100 to 200, and 321 between 200 and 500, and 96 over 500 acres.

There is no doubt some sacrifice of possible interests of children in the work of small farms, where the labour, practically unpaid, of the wife and children; is essential to success.

The whole question turns on the natural aptitude and tastes of the would-be small farmer and his family. It is a hard but independent and wholesome life, and those who enter on it with vigour of mind and body, and capital enough at a reasonable figure, plainly do very well indeed. p. 79.

A small owner of 60 acres says:—"Small holdings are a benefit to the community. People who employ no labour and keep pigs, hens, cows, and grow vegetables can live. Borrowing money has done the harm, both when buying land and stocking the farm." W. Bacon, Ripplingham, p. 79.

But small holdings may be looked at from another point of view than the benefit of the small holder. "The increase in the number of such holdings would create a larger resident population of hardworking thrifty character, with local interests, and less likely to migrate if they could get a fair margin of profit." Wilson Fox, Lincoln, p. 80.

299. The suggestion is made by many of the heavily mortgaged small freeholders that the State should advance money at a lower interest to set them free, and that this margin would pull them through. Economic difficulties.

It must be remembered that some of the land specially suited for small holdings is very heavily rated, both for ordinary purposes and for the special drainage needed in the fen countries. Heavy railway rates have also been a great drawback to success, in the more remote districts. Wilson Fox, Lincoln, Appendix B. 11. D. McInnes, Wilson Fox, Lincoln, App. B. 12, p. 174.

The whole question is economic. The advantage of the security which attaches to ownership is lost, if in bidding a price a purchaser is really saddling himself for all time with the top rent the land could fetch at the highest point of prices and prosperity. And the loss is still harder to meet if the buyer is paying, not with savings, but with borrowed money. The result is fixity of tenure at a rent increasingly unfair, and too often complicated embarrassments and loss owing to lack of ready money.

It is obvious that the ultimate result for those who are in a position to hold on depends upon prices righting themselves. There can be no doubt that if prices and times improve, those who pull through till then will certainly have as bright a future as any class of agriculturists, and will have this advantage over tenants, that they will be able to reap the full gain of the good times which in the case of tenant farmers will be shared with or appropriated by the landlords.

* This man values his land at 120*l.* an acre now.

Wilson Fox,
Lincoln,
p. 81.

Perhaps the greatest obstacle to small holdings is the lack of capital which prevents landowners from making and equipping small farms, and labourers from stocking them. Loans on cheap terms are needed to enable landlords to meet the outlay on buildings and other improvements.* In Cumberland and Westmoreland farm servants are frequently enabled to start farming and climb up by the landlord stocking the land with sheep at 4 or 5 per cent. additional rent on their value. For the small tenants, credit banks might be useful machinery as in Germany, or there might be some simple form of loaning State money through the Post Office.

Wilson Fox,
Lincoln, p. 81.
Cumberland, p.

Co-operative
credit.
Wolff,
22,309, &c.,
22,388, &c.
Sparkes,
21,139.
Wolff,
22,316-43,
&c.

300. In this connexion much practical importance attaches to the evidence given by Mr. Wolff as to the success of co-operative credit banks for agriculturists in Germany and Italy. The development of any such system as that of the Raiffeisen or Luzzatti banks in England must inevitably be slow. Their success clearly has depended, on the Continent, on the slow evolution of a type of knowledge of accounts and of human nature and affairs in the leaders of this co-operative movement. These things are not done in a day. Great credit attaches to Mr. Wolff, to Mr. Yerburch, and others, who have endeavoured to spread exact information, and to cautiously initiate experiments in this form of co-operation in this country. But I am convinced, from the evidence of Mr. Wolff, and his excellent treatise on "People's Banks,"† that if any such system as that of Raiffeisen had been in effective operation in England, most of the disasters of the over-speculative small holders would have been prevented, or at any rate mitigated. And it is obvious that the ultimate development of small holdings in this country will be quickened and directed into economically sound channels if this movement for spreading co-operative credit banks takes root and becomes a source of strength and guidance in agricultural districts.

Wolff,
22,352, &c.

The South
Midlands,
Beds, Hunts,
Northants,
p. 45.

301. Mr. Pringle found everywhere in the South Midlands that want of capital is an obstacle to success in new forms of farming, or in the subdivision of large farms. Here and there, there are hardworking men who begin at the foot of the ladder and steadily climb upwards. Two brothers, in Hunts, once labourers at 9s. a week, took small farms and worked up, through all the bad times. They can hardly read or write. They have recently taken two farms of 300 acres each, their land is fully stocked and they can command 5,000l. between them. They farm on old-fashioned lines, but do it with a very fine margin.

Smaller farms would in general be more workable and profitable both to landlord and tenant, but loans for equipping with buildings at 3 to 3½ per cent. are essential.‡

Lord Wan-
tage's
evidence.
4411.

302. Lord Wantage, who has done much to promote small holdings, both on his own estates and through the Small Farms and Labourers Land Company, said there was increasing demand for farms from 50 to 100 acres, from men who worked themselves with their families. And they are excellent tenants.

4415.
4457.
4422.
4439.

"Small men of that sort are more punctual rent payers, and are less exacting as to buildings."

4443.

The Small Farms Company has shown that "the inclination of this type of man is to buy an acre or two on which to put their buildings and their house, and rent the rest." They are industrious, and have greatly improved the poor soil of the farm on the Berkshire Downs which Lord Wantage handed over to the Company.

It is found to be better, Lord Wantage says, not to have too many small holdings together, as outside employment is needed to supplement the earnings from the land.

4463.

His own small tenants prefer a yearly tenancy on an honourable understanding that they will not be disturbed if they go on paying rent. "Even if they fall into arrears they will not usually be disturbed."

One difficulty in small holdings is that the village system naturally leads the men to try to get the choice bits of accommodation land. If population were better distributed, there would be less competition between the would-be small farmer and the big farmers for the choicer bits of land.

4490-
4512.

Lord Wantage gave an interesting account of his experiment in profit sharing on his farms in hand which amounted to 2,344 arable, 1,833 meadow, and 250 acres of down land. Dividing a fourth of the profits, the bonus to the men has ranged from 60s. down to 10s. This system has stimulated active interest in the work and increased results, while the labourers learn to understand better the position of profit and loss from year to year.

* Mr. R. Roberts shows that the additional rent obtainable from smaller holdings would more than pay interest on a Government Loan. Wilson Fox, Lincoln, App. B. 13.

† People's Banks. By Henry W. Wolff. Longmans.

‡ Lord De Ramsey.

"I would adopt the system on any farm of any size which I was cultivating myself." 4628.
 "The trouble is nothing compared in my estimation with the advantages which are 4675.
 to be got by it."

Its effects are shown in the aggregate increase of population in the two parishes 4685.
 concerned, while the population of the whole union has been decreasing.

Lord Wantage also favours large allotments, finding many men work them well. 4731.

The Small Farms Company have found their tenants prosper and a vacant holding has
 applicants instantly after it.

303. Sir Massey Lopes has many small holdings on his estate in Devon. There are Other
 advantages in grazing rights in Dartmoor. Those who are helped by their families and evidence,
 do not hire labour have done fairly well. He encourages small pasture holdings in 17,118.
 the villages for the local provision of milk and butter. The yeoman farmers are 17,123.
 generally disappearing, and one great difficulty of the small tenants is the wish of their 17,336.
 sons to get off to the towns.

Wherever there is a possible profit in working small farms, as in many of the grazing Pennant,
 counties and in Wales, there has been a tendency to divide large farms, and this 57,299.
 economic movement it would seem of benefit to the country to encourage as far as
 possible.

What, then, are the essential conditions for success? First, that the land should be
 either bought or hired at such a price that leaves some room for profitable working;
 second, that the land should be productive and exceptionally easily worked; third,
 that there should be a quick and easy access to a good market, and that railway rates
 should not eat up all possible margin of profit. It is also—at any rate in the present
 stage of development—desirable to have work available for small farmers on large
 farms in the neighbourhood, or opportunities for supplementing income by carting, &c.

The persistence of the feeling of jealous criticism of the small holder cannot
 but be regretted. That criticism is economically unsound, for where the conditions
 are suitable, it is better for all concerned that a considerable proportion of farms
 should be small, more produce is got, and more human well-being accomplished.

304. It does not follow because men were tempted to start with insufficient or with Summary.
 borrowed capital at a moment when prices and values were steadily moving upward,
 and thus the back wave has hit them with exceptional severity, where they were
 heavily mortgaged, that freehold farming is to be rejected. On the contrary there
 is ample evidence both of the value to the community of this type of agriculturist,
 and of the strenuous industry and self-denying thrift which always accompany its
 development.

It is too often argued from the casual utterances of a few despairing men that they
 would have been better off and have had fewer hours of labour as labourers, that
 the effort to achieve independence is a mere folly. The almost degraded position of the
 agricultural labourer in England, a generation or even half a generation ago, and
 the instinctive desire of the most energetic type of labourer to emancipate themselves
 by means of allotments and small holdings is the direct answer to this specious fallacy.
 Both in the interests of agriculture and of the social elevation of the rural population,
 it is, in my opinion, the plain duty of the legislature to promote, by every practicable
 and sound method, the development of a system of small holdings, and to create facilities
 and machinery which will enable small holdings to be freely formed where the conditions
 of soil, markets, and population are favourable, and under conditions which will provide
 against the special dangers under which so many small freeholders have suffered
 hitherto.

305. Sir Arthur Arnold, then President of the Free Land League, made important Sir Arthur
 suggestions to the Commission. In his opinion, small holders produce more, and Arnold's
 the best agricultural results are to be obtained "where a man's total energies are suggestions,
 "given to the cultivation of his own land." 34,079.

The Allotments and Small Holdings Acts are useful, but the results wholly 33,955.
 insignificant and insufficient. "What we look forward to is a much wider extent of
 "distribution of land by alteration of the Land Acts, and that a very much larger
 "breadth should pass into the hands of possessing cultivators."

He recommends the application to Great Britain of the system of land purchase, 33,941-2.
 restricted to holdings under 50l. a year rent. This would not at present operate largely, See Black,
 but under altered conditions of the law there would be a gradual and, in the end, a 51,655-60.
 very signal alteration in the distribution of the soil.

The Glebe Land Act has not, he contends, operated to put land within the reach of
 the small holder, but to add glebes to large adjoining estates.

33,943.

The glebe lands still amount to about 650,000 acres, widely distributed. These lands, together with other lands of a similar public character, amount to about 2,000,000 acres. Sir Arthur Arnold recommends that the whole of these lands should be placed at the disposal of county councils and other local authorities, or, if found more expedient, administered by a special commission. He would allow the lands to be sold or let for small holdings, allotments, and similar purposes.

33,952-3.

A Bill (Mortmain Law Amendment) was introduced in 1884 by Lord Randolph Churchill with somewhat analogous objects.

Recommendations.

306. I wish to support these suggestions most strongly, and also to urge the necessity of amendments to the Allotments Acts and the Local Government Act, 1894, removing the restriction of the land provisions of those Acts to the labouring population, and giving a free hand to parish, district, and county councils to acquire and let or sell land to occupying cultivators in whatever way seems most expedient for the wants of each locality. I am also of opinion that the suggestions made in paragraphs 179, 180 as to the sale of encumbered estates, or estates in bankruptcy with some right of pre-emption vested in county councils, would operate beneficially if county councils availed themselves of such an opportunity with public spirit, and thus placed additional facilities for acquiring small holdings on reasonable terms within the reach of the rural population.

Aid should also be given administratively and by the dissemination of information for the purpose of leading to the general adoption in the rural districts of the co-operative credit system or people's banks, which have been of such immense benefit to small holders in Germany and Italy.

CHAPTER XVI.

TUBERCULOSIS.

Contagious Diseases (Animals) Acts.

307. There was a consensus of opinion, from all witnesses examined on the point, as to the success of the several Acts passed to check the various diseases which have caused heavy loss to stock farmers in the past.

Whatever differences of opinion have been expressed from certain districts of Scotland and the eastern counties as to the restriction on the importation of live cattle, and whatever complaints are made as to special hardships in the administration of the Swine Fever Act (Contagious Diseases Animals Act, 1893) the legislative policy of the last few years for the purpose of stamping out disease may be taken as having the practically unanimous approval of all practical agriculturists.*

Tuberculosis.

308. Important evidence was also laid before the Commission as to the grave losses to agriculturists from tuberculosis.

Ayrshire, p. 13. W. McConnell, 55,255.

Mr. Speir says that it is far more prevalent than supposed; that throughout Ayrshire and Wigtownshire the losses to farmers are enormous, and in themselves sweep away profits. A Wigtownshire farmer lost 23 cows out of 50 in a single year, while in many cases a "full stock" has died off in a year or two.

Mr. Speir quotes the opinion of an expert, that there are few stocks free from the disease, and that almost 75 per cent. of the cows must be more or less affected.

p. 13, p. 39. Mr. Howie quoted, *ib.*, p. 40. See also Hope, Roxburghshire &c., p. 37.

The opinion of dealers and veterinary surgeons is, that the disease is vastly more prevalent than formerly. The losses are heavy in fat bullocks as well as cows. The Ayrshire Butchers' Society, formed for compensating purchasers of animals condemned after slaughter, estimates 12 to 14 per cent. of the animals which passed through their hands to be affected.

Speir, Ayrshire, &c., Appendix XII., p. 33. p. 13, p. 37.

This society urged that tuberculosis should be scheduled as a contagious disease, like pleuro-pneumonia, while generally through these Scottish dairying counties there is, Mr. Speir states, even greater unanimity in favour of compulsory slaughter of animals affected with tuberculosis than there was as to pleuro-pneumonia, and farmers would accept almost any compensation, however small, rather than go on as they are.

p. 14.

Mr. Speir suggests that animals detected by the tuberculin test should at once be excluded from the dairies, should be branded, and that some compensation should be paid for the loss on sale of the carcase. The grave danger from tuberculous cows continuing to give milk is insisted on from all sides. The diseased animal may give saleable milk up to the very last stages of the diseases.

Speir, p. 14. W. McConnell, 55,228. Kay, 14,239-40. Mitchell, 54,262-3.

* Murray, 5191, 5218, 5403; Lopes, 17,090; Duke of Richmond, 22,610; Lander, 33,487; Finney, 35,452; Brown, 35,826; Pears, 36,343; Elliott, 37,965; Bowen-Jones, 44,747; Stratton, 6459; Read, 16,297, 15,932, 12,207; Hope, 48,418; Hutcheson, 24,436, &c.; Bell, 26,291; Dewar, 31,771; Fyshe, 53,925; Ballingall, 54,194; Wilkinson, 31,365; Stratton, 6782-7; Johnson, 7,882; Lipscomb, 20,683.

Mr. Hope found tuberculosis very prevalent, especially in the in-bred pedigree stock of the northern counties of Scotland, though there is a general reluctance to admit its extent. There is a universal demand among stockowners in favour of compulsory slaughter with compensation.

Hope, Roxburghshire, &c., p. 37. See Stuart, 51,938.

While, in the case of cattle slaughtered for pleuro-pneumonia in Edinburgh, it had been found that 20 per cent. of the carcasses showed tuberculosis also, Mr. Hope is of opinion that the per-centage of tuberculous cattle is now still greater.

Hope, 12,460-2. See also Kay, 14,234, 5.

309. By those witnesses who speak for the districts most affected, and who have given the most attention to the subject, tuberculosis is insisted on as the most important question of agricultural administrative reform at the present time.

The extirpation of tuberculosis the most important administrative question of the day.

Mr. Kay who, in the name of many Lancashire farmers, strongly advocates scheduling tuberculosis and compensating for slaughter as for pleuro-pneumonia, says that cattle and cows are being constantly condemned by the medical officers of the Lancashire boroughs, and that the loss to either farmer or butcher is now enormous, as inspection of slaughtered animals has shown that at least one in five is affected with the disease. In nearly all cases the disease cannot be detected by ordinary inspection when the animal is alive.

Speir, 46,660, 46,692. 14,104-13.

"It is," says Mr. Kay, "one of the greatest causes of depression in Lancashire, more particularly in the dairy districts."

14,106.

Mr. Stratton thinks there are few herds now free from it, and that the matter calls for urgent attention.

Mr. Wilson Fox states, in his Lancashire report, that unhealthy and ill-constructed cattle sheds and byres, with want of space and air have contributed to the spread of tuberculosis. Instead of 600 cubic feet of air, in some cases a cow gets only 260 cubic feet, and there are no means of isolating diseased animals. One witness stated that if the Dairy and Cow Sheds Act was put into force in the Chorley district, seven-tenths of the buildings would have to come down. The granting of compensation, on compulsory slaughter, would be equivalent to a reduction of 10 to 20 per cent. in the rent.

Garstang, p. 7.

Besides the direct and total loss, there is an indirect loss in the price of animals sold off, when slightly affected. The extent of the disease has been greater owing to winter dairying, close and heated air, with insufficient ventilation, and overcrowding.

Garstang, p. 7.

Mr. Patrick Wright, Professor of Agriculture at Glasgow, thinks the prevalence of the disease is largely due to ignorance of sanitary conditions. Many of the byres in the country are hotbeds of disease and infection.

Speir, 46,683, 4. 46,687, 8. 55,515.

Mr. Speir is of opinion that infection is the chief cause, in-breeding also contributory, and close confinement being a third cause. The contamination is easy and rapid in crowded close buildings.

46,094. 46,696.

In Wigtownshire he estimates 75 per cent. of the cows to be affected, and, having applied the tuberculin test to many stocks in Ayrshire and Lanarkshire, has found farms with 75 and even 90 per cent. affected.

"In only one case have I found every animal free."

46,701.

The loss by death to breeders is chiefly in yearlings. The rest of the loss falls to the stock farmers who buy for dairy or feeding.

46,703.

310. For ten years past Danish agriculturists have been working on a policy of isolation, but the impossibility of diagnosing the disease at its initial stage has, till Koch's discovery of tuberculin, made isolation and disinfection almost useless.

Danish experience.

Experiments made by Professor Bang and others demonstrated the enormous per-centage of latent tuberculosis, and showed that "mild methods were out of the question."*

A law was passed in 1893 appropriating about 2,700*l.* (since increased to 5,000*l.*) for five years for providing free tuberculin tests for young cattle to owners who were in a position to separate healthy from re-acting animals. But the testing of whole herds was soon adopted; the advantage to the farmer of knowing promptly how he stood as regards his whole stock being obvious, enabling him to divide his herd and immediately start upon the gradual process of clearing away the disease. The veterinary surgeons being on the premises for free testing of the young stock, the testing of the grown stock by private arrangements is carried out at small additional cost.

The first year 327 herds only were tested by 69 veterinary surgeons, while in October 1895 there had been reports of tests on 1,972 herds by 210 veterinary

* This and the succeeding paragraph summarise the main points of Professor Bang's important Report on "The Application of Tuberculin in the Suppression of Bovine Tuberculosis."

Deutschen Zeitschrift für Thiermedizin und vergleichende Pathologie, XXII. Band. Translation made for the use of the Massachusetts Agricultural College, U.S.A.

surgeons. The first reluctance of the farmers has been changed to an eager demand throughout the country.

Reporting up to August 1896, Professor Bang says the number of inoculated animals was then 53,000 out of nearly 1,700,000 head of cattle, and that under the test 38·7 per cent. had re-acted. Of those tested the large herds—those with 50 head or more—showed the worst results. About two-thirds of these herds show 59 per cent. of re-acting animals, and about one-fourth show over 75 per cent. In the small herds there are many found wholly exempt from disease, while more than one-half have less than 25 per cent., and only a tenth show 75 per cent. or more. The existence of entirely healthy herds upsets the theory that the bacilli of tuberculosis are everywhere present, and gives more basis for the hope that the disease can be extirpated. Doubt is also thrown on the hypothesis that “in and in” breeding is a cause of spread of the disease. Mr. Bang has found two herds most of which originated from the same cow, and had been increased by in-breeding, but were absolutely free from taint. The importation of breeding animals for the improvement of big herds has, in his opinion, caused infection, which has been spread from the larger to the smaller farms.

The test has been found to be faulty in Germany in 13·14 per cent. of instances, and in Denmark in 9·7 per cent. of instances. In some of these cases dissection has shown tuberculosis to exist, though there has been no re-action. In other cases where there has been re-action, and dissection shows apparently healthy tissues, it is quite possible that minute tuberculous deposits have escaped attention. “Knots from the size of a needle’s head to that of a pea in a hidden lymph gland surrounded by fatty tissue may be overlooked even by those of most experience.” Thus the proportion of cases in which the test is a fairly certain indication is probably greater even than 86 to 90 per cent. In the great majority of cases the re-action merely indicates latent tuberculosis, and the test gives no guide as to the degree to which the disease has advanced, incipient tuberculosis giving sharper re-action than old standing cases. Again, there is serious difficulty from the different degrees of susceptibility of different animals and different stages of the disease. On a repetition of the test, even after 12 months, diseased animals may show no re-action, though it seems probable that the majority show a repeated re-action even after a short interval. “Intentional deception,” says Mr. Bang, “could therefore be practised to no great extent, and the cautious cattle buyer could hold his newly purchased animals apart from the healthy ones until an additional test has been made.”

The use of tuberculin is also, in his opinion, practically without risk.

The test cannot be treated as legal proof, or as infallible, but it is “an excellent means for recognising tuberculosis.”

The Danish
remedial
policy.

311. As to remedies, Professor Bang condemns compulsory slaughter, as proposed in France, and unsuccessfully attempted to be carried out in some of the United States. The number of animals showing disease is too great. The cost to the community, or the loss to the stock owner, would be too heavy.

The Danish policy is to test the whole herd, to separate the healthy from the unhealthy, to kill only the evidently sick animals, to rear on sterilised milk the calves of the re-acting cows which are only slightly attacked, carefully withdrawing them from any chance of infection, and to test the healthy section of the herd once or twice yearly.

It seems to be established that, except where the parents are seriously affected with general tuberculosis, pervading the blood and principal organs, the calves are usually born healthy, and acquire the disease almost entirely by infection.

Co-operative dairies, otherwise of immense help to agriculturists, involve the risk of disseminating germs of disease, unless the skim milk handed back to the farmers for the use of calves is sterilised by sufficient heating.

Mr. Bang says:—“On farms where this method has been used collected evidence shows that all the calves were healthy, even where tuberculosis had widely spread among the grown animals.”

The interesting experiments carried out by Professor Bang at Thurebylille, with not the most satisfactory means for separation, seem to go far to establish the soundness of this theory. “With the exception of two cases of inborn tuberculosis, and one doubtful case, thus far no calf of the re-acting cows since the beginning of the experiment has later shown itself to be tuberculous.” A careful and vigilant persistence in the method seems likely “to gradually change a tuberculous herd into an entirely healthy one,” all the suspicious animals being isolated and gradually got rid of, under circumstances which prevent them from spreading the disease further.

312. Sir T. D. Gibson-Carmichael, Bart., M.P., has carried out an experiment on nearly similar lines with his herd of Aberdeen-Angus cattle at Castlecraig since 1894. An interesting report has recently been prepared by Mr. James Wilson, Fordyce Lecturer in Agriculture, Aberdeen University.*

The Castle-
craig herd
experiments.

In this experiment, the calves have been treated on the hypothesis that "milk as it comes from the udder is germ free except when the milk gland is in a diseased condition." The calves of the re-acting cows were accordingly allowed to suckle till the autumn, but kept separate from the calves of the sound cows until they had been subjected to the test. Of twenty bull calves in 1895 seven were from tuberculous cows. Yet the whole of these passed the test in the autumn of 1895, and again in January 1896, two of them having been sold before this second test.

The experiment, so far as it has gone, seems to show that this policy must certainly restrict and arrest the spread of disease, that it is possible to breed safely from slightly diseased animals, and that the disease may steadily be eliminated.

313. If it is objected that the cost of the inoculations, and of the close observation and repeated examinations of temperature of the inoculated animals, on the precision and accuracy of which the whole value of the process depends, is too heavy, it should be borne in mind that the alternative of compulsory slaughter of all affected animals would involve a vastly greater expenditure or loss. The apparently reasonable prospect of clearing a herd from disease within a few years should be viewed as a probable addition to the assets of agriculturists, the amount of which, if the policy is successful, must, in any case, greatly exceed the cost of the remedy. Taking even the most moderate estimate of the extent of tuberculosis, and assuming that of about 2,700,000 cows, 30 per cent., or 900,000, are affected; of other cattle under two years of age, out of 2,600,000, 10 per cent., or 260,000, are affected; and of 1,600,000 cattle over two years of age, 20 per cent., or 320,000, are affected, making a total of nearly 1,500,000 head of stock out of nearly 7,000,000, it is probable that the pecuniary benefit to agriculturists would not fall short of a million sterling per annum, and might conceivably greatly exceed that sum. If the higher estimates of the prevalence of this disease arrived at by Mr. Speir be taken, the results would be much greater. In either case it is plain that the cost of such a remedial policy as is being adopted in Denmark represents a very small per-centage on the enormous addition to agricultural income which extirpation, or reduction to a minimum, of disease would mean. Any immediate sacrifice made by agriculturists would be an investment bringing heavy and increasing returns in a very few years.

The probable
money gain
to agriculture
from the
stamping out
of tuber-
culosis.

314. In a memorandum laid before the Commission, Mr. Speir puts the cost of the tuberculin at 6*d.* to 7*d.* for each animal, and the veterinary attendance at about 6*d.* each animal, but this does not include the taking of the temperatures during the next 24 hours after injection. He suggests as a fair division of liability that the State and the county should each pay two-fifths and the stockowner one-fifth of the cost. Taking the four south-western Scotch counties the charge would amount to a 3*d.* rate. There are veterinarians enough, and the total cost of the four counties would be about 3,000*l.* a year, while the extirpation of the disease would, he estimates, save a present loss of 66,000*l.* a year. I cannot but think that both these estimates are slightly below what is probable.

Speir.
"Suggestions
for com-
batting
bovine tuber-
culosis and
providing
funds for
that pur-
pose."
Appendix X.

315. The important letter recently addressed by M. de Leclercq, President of the Shorthorn Society of France, to Lord Brougham, President of the English Shorthorn Society, and urging that cattle should be sold subject to the tuberculin test, emphasises the danger and the possible losses to this country of temporising with this matter. Some of the highest priced animals imported from England, including the champion bull "Nonsuch," have proved, on being tested and afterwards slaughtered, to be seriously diseased. The French Government have interdicted importation of cattle which do not pass the tuberculin test at the frontier, and take special precautions to defeat frauds alleged to be attempted by the repeated inoculations just before importation. Belgium and Switzerland are taking steps in the same direction, and in Buenos Ayres, where most of our export cattle go, Bills have been introduced to make the test compulsory.

The action
of France
and the
French
Shorthorn
Society.

M. Tisserand, Director-General of Agriculture in France, thinks the disease has been and is increasing, and that an attempt should be made to extinguish it everywhere. Tuberculosis is a disease of slow evolution, and may exist for a very long time without

* "The Results of the use of Tuberculin in the Castlecraig Herd." Edinburgh, G. P. Johnston. 1896.

external symptoms; the animal may live unsuspected, and arrive at the slaughter-house in apparent health, but will show by post-mortem examination numerous tubercles in the lungs, muscles, and other organs. While in contact with others it is a constant source of infection.

The Government should, M. Tisserand insists, have power to order the test, and to order the isolation of re-acting animals. In his opinion the English shorthorn breeders will be obliged, sooner or later, to satisfy the foreign purchaser, or lose their export trade.

It must, therefore, be deeply regretted that the English Society has thrown cold water on the reasonable French demand.

Summary.

316. It is sufficiently established by the post-mortem test following the tuberculin test, in Denmark, in France, in the United States, as well as in this country, that the chances of error in the application of the test are very small, and that some of the cases when it has apparently failed are due to insufficiently exact and comprehensive searching of the tissues where the disease may be, in all probability, lurking. This being so, the gain to practical farmers to promptly ascertain their own position would be enormous.

In the vast majority of cases, farmers applying the test with care and knowledge, will at once be able to isolate the diseased cattle or cows, purify their dairies, and fatten and sell off the very slightly diseased animals, before the disease has ruined their selling value. This policy will reduce to a minimum the losses which many men, under such circumstances, are doubtless reluctant to face. And the successful results attained in Denmark, and in such experiments as those of Sir T. D. Gibson-Carmichael, give every reason for the encouraging hope, that, with skill and persistence, under favourable conditions, as regards the arrangements of buildings and of pastures for purposes of isolation, farmers will find in a few years that they will have worked the disease out of their stock, to their lasting advantage as well as to the advantage of the whole community.

Recommendation.

317. On these and other grounds, I submit that pending the adoption of any definitive policy of dealing with tuberculosis which may result from the recommendations of the Special Commission which is now inquiring into this question, it is expedient that, without further delay, the Board of Agriculture should forthwith take steps—

- (i.) To disseminate accurate information in a concise and readable form as to the methods and results of the attempts to deal with tuberculosis made by the Danish, French, and other Governments;
- (ii.) To establish one or more stations where tuberculin of guaranteed and uniform quality can be obtained on reasonable terms by agriculturists who wish to test their herds; and
- (iii.) To prepare in connexion with these stations lists of veterinary surgeons who may satisfy the Board of Agriculture that they are competent to apply the test with precision.

CHAPTER XVIII.

GENERAL SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS.

A.—CONCLUSIONS.

The conclusions arrived at in this Report may be thus summed up:—

- (1.) The decline of agriculture from the prosperity of 25 years ago, although led up to and from time to time aggravated by unfavourable seasons, has been mainly due to the fall in prices of agricultural produce.
- (2.) The fall in prices has been largely, if not exclusively, brought about by the rapid development of agricultural production in new districts abroad, by the quickening and cheapening of means of transport, and by inventions enabling producers in the Colonies and abroad to place foreign and colonial meat and dairy produce on the home markets in saleable condition.
- (3.) Besides the fall in prices, the chief cause of agricultural depression has been the excessive rent put upon agricultural land.
- (4.) Contributory causes have been excessive and preferential railway rates and charges, the organised and fraudulent sale of adulterated articles of food, and, in a minor degree, the local and Imperial burdens on land.
- (5.) It is impracticable, and would be prejudicial to the general commercial interests of this country, and it would be immediately prejudicial to stock and dairy

- farmers, and would ultimately, if not immediately, be prejudicial to all agriculturists, to attempt to raise prices artificially by protective duties, either directly imposed on agricultural imports, or by differential duties, or by any system of bounties.
- (6.) Changes in the currency system, with a view to raising or maintaining prices, have not been shown to be necessary, or even certain to produce the results expected, but have been shown to be perilous to commercial stability, even if adopted by international agreement, which is at present improbable.
 - (7.) If agriculture is to be helped, Parliament must deal with the causes of depression which are within reach and can be met equitably and with practical results.
 - (8.) The most effective help Parliament can render to tenant farmers is by the extension of agricultural arbitration to rent, and by giving real security to tenants' capital invested in the soil, and to their tenure of their holdings.
 - (9.) Any legislative help Parliament may render to agriculture by making the relations of landlord and tenant more equitable, and by giving greater security to the investment of tenants' capital, should be based on economic evidence, and be directed to putting the relations of landlord and tenant on a strictly business footing.
 - (10.) While the gross returns from farming have fallen enormously, what may be called the reproductive items of expenditure, the outlay on labour, and on fertilisers and feeding stuffs are practically stationary, and, therefore, ends can only be made to meet by a reduction in the non-reproductive items, the chief of which is rent.
 - (11.) The analysis of the accounts furnished by farmers, and from the great estates, makes it certain that, in the great majority of cases, rents have not yet been reduced to the point at which the economic loss from fall of prices would be fairly shared between landlord and tenant, and in consequence of this landlords are still drawing rents which, in many cases, are largely paid out of tenants' capital, and which, in most cases, absorb practically the whole profits which farmers might otherwise obtain, and deprive them even of the most modest return from their capital invested in farming.
 - (12.) These inferences from the accounts supplied are more than confirmed by the mass of evidence—substantially unchallenged—to the effect that excessive rents have brought, and are bringing, vast numbers of farmers to ruin, that rents have been insufficiently and too tardily reduced, and that the soil has been steadily deteriorated by the ruin and impoverishment of tenants, owing to the disproportionate share of the diminishing receipts which has had to be taken for rents.
 - (13.) The ruinous results of rack-renting in all parts of the country have demonstrated that competition cannot safely be taken as the measure of agricultural rent, which should rather be based on a valuation of the average money returns obtainable from the land, a principle recognised on some of the most wisely and generously-managed estates.
 - (14.) The large sums of money expended in the purchase and improvement of estates are not a sufficient justification for high rents, for the reason that to charge anything like interest on the original capital value would be to transfer the whole economic loss to the tenant; and as to landlords' improvements, the tenants have, in fact, paid for them, and are still paying for them in the reduced rents, while much of the outlay of landlords cannot be treated as in any sense an interest-bearing investment.
 - (15.) While the bad farmer who reduces the value of his farm is able to make easier terms for a renewal of his tenancy, the improving farmer who invests large sums in increasing the fertility of the soil, is unable to obtain, in most cases, a reduction of rent in fair proportion to the fall in prices, for the reason that his farm is coveted by other competitors—a competition all the keener in bad times, when farms in high condition are fewer, and, therefore, more eagerly sought for.
 - (16.) The results of this state of things has been grave insecurity of tenure, constant discouragement to high farming up to the end of a tenancy, and serious injustice to the very class of farmers who most deserve the protection of the law.
 - (17.) The attempt made in the Agricultural Holdings Act for England, and the similar Act for Scotland, to give greater security to tenant farmers in

- bargaining with their landlords, and fuller and more easily enforceable property rights in their improvements, and thus to check or remedy some of the evils resulting from the existing system of land tenure has largely failed.
- (18.) The chief causes of the comparative failure of the Act have been (a) that no suitable machinery was provided to carry out the Act; it was left to the old type of valuer and the old methods of valuation, with the result that the main purpose of the Act, to give the tenant the full remaining value of his improvements, has been largely frustrated; (b) that compensation was restricted to quitting tenants and no provision made to protect the interests of sitting tenants, with the result that the best type of farmers have been constantly compelled to acquiesce in rents which transfer the tenant's interests in the soil to the landlord.
 - (19.) These perversions and limitations of the Act have operated to encourage bad and defective farming, and to discourage the thorough and generous and persistent cultivation and fertilising of the soil, and have placed the most deserving class of agriculturists—those who have steadily persevered in developing and maintaining the highest standard of good farming—under disabilities which ought to be removed.
 - (20.) The procedure of the Act is costly and unsatisfactory, the rights of tenants to compensation are frequently defeated by unreasonable counter claims and by penal and restrictive covenants, and the administration of the Act is largely in the hands of valuers of inadequate knowledge, independence, and responsibility.
 - (21.) The Act is incomplete and does not cover all the matters which should be covered, and leads to the defeat of justice by frequent appeals.
 - (22.) The Act gives no sufficient protection to the landlord against dishonest and depletive farming.
 - (23.) It is contrary to the interests of agriculture to restrict the cultivation of the land in the way which may be found to pay best under present circumstances, or the sale of produce so long as the soil is thoroughly worked and manured.
 - (24.) It must be to the benefit of all interested in the land that all reasonable and suitable improvements which tend to increase the value of the land for the purposes for which it is let should be encouraged by giving freedom of action to tenants and compensation for any remaining value of such improvements, and that the recent recognition of this principle in the Market Gardeners' Compensation Act should be extended to all kinds of farming.
 - (25.) The preferential right of the landlord to distrain for rent has been and is prejudicial to the interests of agriculture.

The following changes of the law and improvements in its administration may therefore be recommended.

B.—RECOMMENDATIONS.

I.—AGRICULTURAL HOLDINGS ACTS.

The present Agricultural Holdings Acts for England and Scotland should be amended so as to provide as follows:—

Scope of the Act.

- (1.) Full compensation for the cumulative fertility resulting from continuous good farming, irrespective of any arbitrary time limit.
- (2.) Freedom to carry out, and compensation for all improvements suitable for the purposes for which the holding is let, whether the landlord consent or not.
- (3.) Tenant's improvements to be classified in two schedules, the first to comprise the more permanent and costly improvements in respect of which consent shall no longer be requisite, but a notice shall be required; the second schedule to comprise all other improvements in respect of which neither consent nor notice shall be required.
- (4.) The first schedule should include buildings, except those required for market gardening, silos, irrigation, roads and bridges, provision of water supply, permanent fences, embankments, the reclaiming of unenclosed waste land, and drainage.

- (5.) The laying down of permanent and temporary pasture and grasses, the consumption of home-grown corn and other produce, the remainder of the improvements now classed in Part I. of the First Schedule to the Act, the improvements now classed in Part III. of the First Schedule to the Act, and all other improvements not specifically placed in the proposed first schedule for which notice is required should be classed in the second of the proposed schedules.
- (6.) Compensation should be given retrospectively, as in the Market Gardeners' Compensation Act, 1895, for suitable improvements prior to the passing of a new Act, where the landlord did not dissent from such improvements at the time.
- (7.) All tenants' claims and payments under the custom of the country or agreements should be brought within the procedure of the Act, so as to be included in one award with the specific compensation provided by the Act, and enforceable as one sum.
- (8.) A tenant remaining in his holding at the determination of his tenancy, and entering on a new contract of tenancy should be enabled to protect himself from being rented on his improvements by the right to claim compensation for their unexhausted value without quitting, or to obtain a proportionate reduction from the new rent.
- (9.) A tenant arbitrarily compelled by the act of his landlord to quit his holding, except for nonpayment of rent and for bad farming, should be entitled to such compensation as will cover his loss by removal.
- (10.) Tenants should be free to cultivate the land and sell produce to the best advantage, so long as they maintain its fertility.
- (11.) Tenants should be entitled to claim compensation for damage to their crops by game.
- (12.) Claims for penal rents, or breaches of covenant, should be limited to actual damage proved, and claims for waste should be limited to two years, and not be enforceable unless the landlord shall have given reasonable notice to the tenant to make good, or to desist from the waste specified.
- (13.) The landlord should be given an equal right with the tenant to set the Act in operation.

Procedure of the Act.

- (14.) The claims of the tenant for improvement, and of the landlord for deterioration, should be served on the other party simultaneously.
- (15.) A record of the condition of a holding should, so far as possible, be inserted in every contract of tenancy, and in every award under the Act.
- (16.) References under the Act should be determined by a single arbitrator, from whose decision there shall be no appeal except upon a point of law.
- (17.) For each county or portion of a county, or group of counties where expedient, the Board of Agriculture should appoint an agricultural arbitrator, whose qualifications should be practical experience of the agriculture of the district, judicial capacity, and absolute independence and impartiality, such arbitrator to be paid partly out of a general fund created by fees, partly by the State, and to be removable, for cause shown, by the Board of Agriculture.
- (18.) All matters in dispute, including rent, should be referred to the agricultural arbitrator.
- (19.) The preferential right of the landlord to distrain for rent should be abolished as regards agricultural land.

II.—RAILWAY RATES.

The Railway and Canal Traffic Acts should be amended so as to enable traders to test the reasonableness of every rate or condition, and to test all evidence bearing on those questions, and to create a cheap and accessible machinery for deciding all cases, and to remove uncertainty from the decisions of Parliament and the courts as to undue preference.

III.—ADULTERATION OF FOOD PRODUCTS.

The recommendations of the Select Committee should be forthwith carried into law, and the existing and improved machinery at the disposal of the Local Government

Board, Board of Agriculture, and Board of Customs should be set in motion more effectively than hitherto.

I further recommend the appointment of one or more special Commissioners for a period of five years to supervise and report upon the administration of the various Acts and regulations.

IV.—SMALL HOLDINGS.

The restrictions in the Allotments Acts and Local Government Act, 1894, should be removed. With a view to the better provision of land, glebes, Crown and ecclesiastical agricultural lands, and other land of a public character should be placed at the disposal of county councils. County councils should also have a right of pre-emption of land sold under bankruptcy, or under any new legislation for dealing with encumbered estates.

Co-operative credit banks for agricultural districts should be encouraged and any legal difficulties removed.

V.—TUBERCULOSIS.

This cause of immense pecuniary loss, both to agriculturists and to meat dealers, and of continued peril to the public health, should be dealt with without further delay, and facilities for voluntary action by agriculturists should be forthwith provided by the Board of Agriculture.

VI.—DIVISION OF RATES BETWEEN OWNER AND OCCUPIER.

I wish again to repeat here the recommendation made by the Richmond Commission, and by myself and several other Commissioners in the Second Report of this Commission, that there should be an equitable division of all local rates between the owner and the occupier.

All which I humbly submit for Your Majesty's gracious consideration.

(Signed) FRANCIS ALLSTON CHANNING.

July 3, 1897.

